

# DAILY REPORT

*China*

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FURTHER REPORTAGE ON TOKYO SUMMIT

## Leaders Issue Declaration

OW051826 Beijing XINHUA in English 1813 GMT 5 May 86

[Text] Tokyo, May 5 (XINHUA) -- Leaders of seven major industrialized countries attending the May 4-6 summit today called on the United States and the Soviet Union to resume their "high-level dialogue and negotiation" to improve East-West relations.

In a declaration on political issues, entitled "Looking Forward to a Better Future," which was released at a press conference by Japanese Foreign Minister Shintaro Abe, the summit leaders said that they are "committed to addressing East-West differences through high-level dialogue and negotiation." In this regard, the declaration, while expressing appreciation for the United States' negotiation efforts, called on the Soviet Union "also to negotiate positively."

"To that end," the declaration said, "each of us supports balanced substantial and verifiable reductions in the level of arms; measures to increase confidence and reduce the risks of conflicts; and the peaceful resolution of disputes."

Speaking of their relations with the developing countries, the summit participants said they have acknowledged that their countries "cannot enjoy lasting stability and prosperity without stability and prosperity in the developing world." A number of developing nations had called on the summit participating countries to take practical steps on elimination or cut of trade protectionism, expansion of imports from the developing countries, raising and stabilization of the price of raw materials and stabilization of the price of raw materials and increase of aid for development.

In a statement on anti-terrorism, the summit leaders pledged to fight "relentlessly" against international terrorism and criticized Libya by name for its alleged "sponsoring or supporting" of terrorist activities. Terrorism "must be fought relentlessly and without compromise," the statement said. The statement specified anti-terrorism measures including refusal to export arms to states which sponsor or support terrorism, and strict limits on the size of the diplomatic and consular missions which engage in terrorist activities. The statement also called for collaboration from all nations and international organizations such as the United Nations, the International Civil Aviation Organization and the International Maritime Organization in fighting against terrorism.

In a statement on nuclear safety, the summit leaders said, "Nuclear power is and, properly managed, will continue to be an increasingly widely used source of energy. For each country the maintenance of safety and security is an international responsibility, and each country engaged in nuclear power generation bears full responsibility for the safety of the design, manufacture, operation and maintenance of its installations."

The statement called on the Soviet Union to provide more information on the Chernobyl nuclear accident.

It also welcomed and encouraged the work of the International Atomic Energy Agency (IAEA) in seeking to improve international cooperation on the safety of nuclear installations, the handling of nuclear accidents and their consequences.

## XINHUA Views Declaration

OW051802 Beijing XINHUA in English 1748 GMT 5 May 86

["Roundup: Tokyo Summit Issues Political Statements by Zhao Zijian" -- XINHUA headline]

[Text] Tokyo, May 5 (XINHUA) -- The U.S. got its way in the second day of the summit of the seven industrial countries as a statement from the summit leaders blamed Libya for "sponsoring or supporting international terrorism."

Postponed three times and after three drafts, the final version of the summit statement issued this afternoon listed six measures which the summit seven will jointly take against what they regard as international terrorism.

The six measures are:

- Refuse to sell arms to countries which support terrorism;
- Limit the diplomatic missions and other official bodies of states which engage in terrorist activities, control the travels of their personnel or even close such missions or bodies;
- Denial of entry of any people who have been expelled or excluded from one of the summit seven countries for terrorism;
- Improve extradition procedures;
- Stricter immigration and visa requirements for nationals in states suspected of terrorist activities;
- Strengthen bilateral and multilateral cooperation between various security organizations.

The statement also said that the leaders have agreed to "intensify the exchange of information" on terrorist activities.

The statement on international terrorist issue was added to the agenda in the wake of U.S. raids against Libya on April 15. The raid was condemned worldwide and was a topic of disputes between the U.S. and its allies.

As the summit opened, the U.S. got strong backing from Britain, which is favoring an extradition treaty with the U.S. because it has "terrorist" problems with the Irish Republican Army. During the morning session today, British Prime Minister Margaret Thatcher was reportedly trying to "sharpen" the language of the statement, which centered on whether or not to name Libya in the final version.

Though the U.S. idea finally got through, sources here have doubts that the root problems of the terrorist issue have been pinpointed and that the concentration on the six measures proposed may not solve the problem.

As soon as Japanese Foreign Minister Shintaro Abe finished reading the statement to the gathering reporters, he was questioned about the wisdom of Japan's joining the action because Japan was not involved in the Libya tussle and she is now trying to promote the Middle East peace process. The naming of Libya will prevent Japan from making effective arguments due to possible Arab resentments.

In a separate statement this afternoon the summit leaders have criticised the Soviet Union for withholding information about the Chernobyl nuclear power station accident.

However, in a conciliatory note, the statement said the leaders are satisfied that the Soviet Union has shown willingness to discuss immediately with the International Atomic Energy Agency (IAEA), possibly for post-accident analysis.



The two statements, together with a previous political declaration, have taken up so much time for the three-day economic summit that economic matters have appeared secondary in terms of urgency. A Japanese official complained to reporters this afternoon that there is little time for economic discussions among the presidents and prime ministers.

#### Ties With Developing Nations

OW051752 Beijing XINHUA in English 1735 GMT 5 May 86

["News Analysis: Will Tokyo Summit Make Good on Commitments to Developing Countries? (by Zeng Hu)" -- XINHUA headline]

[Text] Beijing, May 5 (XINHUA) -- Some developing nations may be pleased with today's Tokyo summit political declaration in which leaders from the seven economic powers acknowledged the indispensable part of the less developed countries in the world's economic and political affairs.

But, the developing countries will have to wait and see if the "big seven" come out of the economic discussions with something to meet the real needs of less developed countries or only make their acknowledgment as good as it sounds.

In the Tokyo declaration, named "Looking Forward to a Better Future," leaders from the United States, Japan, Britain, Federal Germany, France, Italy, Canada and the European Community said that today's world is characterized by ever increasing interdependence. Their countries, the leaders noted, "Cannot enjoy lasting stability and prosperity without stability and prosperity in the developing world." The leaders also pledged to "fight against hunger, disease and poverty, so that developing nations can also play a full part in building a common, bright future."

However, as observers see it, the knotty economic problems that hamper development of Third World nations will not be solved with easily uttered commitments unless the developed countries take concrete measures.

Before the summit started yesterday, many countries in Asia, Middle East and Latin America voiced their demand for reducing trade restrictions in the industrialized world, alleviating debt burdens and stabilizing or increasing raw material prices. The Association of South East Asian Nations (ASEAN), which includes Indonesia, the Philippines, Malaysia, Thailand, Singapore and Brunei, told U.S. President Ronald Reagan last week that the summit should take a clear position against protectionism and in favor of more stable raw material prices.

Thailand repeated its particular worry to Federal German Chancellor Helmut Kohl during his stopover in Bangkok last week about the impact of the U.S. Congress' proposed farm act on its exports of rice and other agricultural goods.

India has called for reforms in the international monetary and financial systems, while Singapore, hit by a declining demand for its manufactured goods, wants Japan and the EEC to remove trade barriers.

In a message to the summit, the presidents of Argentina, Brazil, Bolivia, Colombia, Ecuador, Chile, Mexico, Peru, the Dominican Republic, Uruguay and Venezuela urged participants to take up the debt problem. The debts of these nations account for 80 percent of Latin America's total debt of 372 billion U.S. dollars.

The Latin America presidents also called for a change in the current world economic order, lower interest rates, higher raw materials prices and removal of trade protectionism by industrial countries. And, they pointed out that their debt-ridden economies are vulnerable to any fluctuations in world economy.

Economists have noted that the current international environment, though favorable to industrialized nations whose economies are expected to grow considerably this year because of the oil price slump, is not putting developing countries on a sound path toward growth.

Along with rising protectionism, the fall in commodities prices and high real interest rates have contributed to growing inflation, slow economic growth and skyrocketing unemployment in the heavily indebted countries, they said. Under such circumstances, analysts believe that participants in the Tokyo summit are facing a difficult task in deciding how much they would like to sacrifice in order to keep their commitments from becoming only lip service.

#### ENVOY ADDRESSES UN SESSION ON DEBT PROBLEM

OW060608 Beijing XINHUA in English 0547 GMT 6 May 86

[Text] United Nations, May 5 (XINHUA) -- With the resumption of the 40th regular session of the U.N. General Assembly, the second economic and financial committee reopened its debate today on the debt problem of developing nations. The week-long debate is to focus on international cooperation in money, finance, debt, resource flows, trade and development. Speaking on behalf of the "Group of 77", Ignac Golob of Yugoslavia said that the external debt problem of developing countries concerns everyone.

"The debt problem requires a political dialogue between the debtor and creditor countries and international financial and banking institutions. Developing countries believe that real interest rates should be brought down, while payments, grace and consolidation periods should be stretched out. Debt-service payments should be limited to a percentage of export earnings. The criteria of international financial institutions should be substantially changed." Developing countries, Golob pointed out, have consistently emphasized that the debt problem cannot be solved in an environment in which commodity prices continue to fall, foreign resources continue to dry up, real interest rates remain high and no action is taken to resist and roll back protectionist measures. Golob also said that a limited group of countries cannot decide on issues which are of vital importance to the rest of the world.

Tamas Foldeak from Hungary said that in many developing countries the debt problem has become a real threat to their economic security and that a necessary condition for solving the problem is a real reduction in interest rates, as well as the restructuring of the international monetary and financial system.

Wang Baoliu of China noted that a fundamental solution to the debt problem can only be found in promoting the growth of developing countries, and he urged the major developed countries to adopt measures to meet the real needs of the debtor countries.

Denmark's Finn Jonck said that the issues of growth, monetary stability, alleviation of debt problems, commodity earnings and trade call for intensified efforts to ensure conditions for sustained, non-inflationary growth. "That requires a continuation of growth-oriented adjustment policies in both developed and developing countries," Jonck said.

UN URGES USSR TO PROVIDE INFORMATION ON CHERNOBYL

OW030814 Beijing XINHUA in English 0700 GMT 3 May 86

[Text] Geneva, May 2 (XINHUA) -- Mostafa Tolba, executive director of the U.N. environment program, today called on the Soviet Union to provide precise information on the Chernobyl nuclear plant catastrophe to the world. Tolba told reporters that he made the call during a meeting this morning with the Soviet ambassador to the United Nations organization. "In fact, the right for information in cases of serious pollution, and particularly when the pollution passes across the borders (of a country), is one of the rights of mankind," he said. He said he wants to know the "original" intensity of the radiation, that is, the magnitude of radiation produced at the moment the accident occurred in the Soviet nuclear plant.

GORBACHEV MESSAGE TO REAGAN ON U.S.-USSR SUMMIT

OW041436 Beijing XINHUA in English 1359 GMT 4 May 86

[Text] Tokyo, May 4 (XINHUA) -- Soviet leader Mikhail Gorbachev has sent a message to U.S. President Ronald Reagan through British Prime Minister Margaret Thatcher indicating his willingness to hold U.S.-Soviet summit in the United States this year, a U.S. official said today. During a private meeting with Reagan at the Tokyo economic summit which opened here today, Thatcher passed the message handed to her last Wednesday by the newly-appointed Soviet ambassador to London, Leonid Zamyatin.

The U.S. official who declined to be named said the "upshot" of the message was that Gorbachev "is still interested in a summit this year and wondered if the United States was interested in a summit." The official said there has been no formal response from President Reagan as yet, but he added, "the answer, of course, is yes."

Gorbachev and Reagan reached an agreement during their first meeting last November in Geneva for the Soviet leader to go to the United States this year. However, the two sides failed to fix a date for the talks. The Soviet Union then canceled a meeting between Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze in mid-May protesting U.S. air strike of Libya on April 15.

During her South Korean visit on the eve of the Tokyo economic summit, at which leaders from major Western industrialized nations get together to discuss political issues such as East-West relations as well as economic ones, Thatcher said a new U.S.-Soviet summit was important for progress in arms control. She said that no recent events such as the U.S. air strike on Libya or the Soviet nuclear disaster had made a summit less necessary. "I believe the need is as great as it was before, and I believe it will come about," Thatcher said.

HU YAOBANG MEETS FOREIGN TRADE UNION DELEGATIONS

OW301232 Beijing XINHUA in English 1224 GMT 30 Apr 86

[Text] Beijing, April 30 (XINHUA) -- Chinese leaders Hu Yaobang, Wan Li, Xi Zhongxun, Hu Qili, Wu Xueqian, Ni Zhifu and Gu Mu, met eight visiting foreign trade union delegations at the Great Hall of the People here today. The delegations are from Benin, Burundi, The Congo, Italy, Japan, Sri Lanka, Togo and Yugoslavia, and they have been invited to attend the centennial activities of "May 1" in Beijing. The Chinese leaders also met a Communist Party delegation from Australia and Alain Roux, a scholar of the French Communist Party.



CUI YUELI, DELEGATION ATTEND WHO CONFERENCE

OW051844 Beijing XINHUA in English 1453 GMT 5 May 86

[Text] Geneva, May 5 (XINHUA) -- The 39th conference of the World Health Organization (WHO), attended by representatives from 140 countries, opened here today to review its work in the past year and current health issues of the world. According to sources of the organization, the conference will discuss the application of the strategy of "health for all from present to the year of 2000", a work programme adopted in May of 1981, and the work report by WHO Director General Halfdan Mahler.

Other topics for discussion include the health issues of Southern Africa and Arab countries resided by Palestinian refugees and the inter-department cooperation in a country.

The conference, attended by health officials as well as ministers of finance and agriculture of certain countries, will also look for more effective ways to improve the well-being of the world.

The Chinese delegation, headed by Health Minister Cui Yueli, is attending the meeting which will end on May 16. The WHO, consisting of 166 countries, holds such a meeting every year.

WAN LI, OTHERS AT SOCCER TOURNEY OPENING

OW051002 Beijing XINHUA in English 0639 GMT 5 May 86

[Text] Beijing, May 5 (XINHUA) -- The opening ceremony of the China Youth News TDK Cup under-18 soccer tournament was held here this morning. Nearly 200 players from Brazil: England, France, Thailand, China, and China's Beijing, Liaoning and the army teams participated in the ceremony.

Among those present on the occasion were Wan Li, vice-premier of the Chinese State Council, and Chen Xitong, mayor of the capital city.

Speaking on behalf of the organizing committee, Liu Yandong, president of the committee, first welcomed the foreign guests and wished the tournament success. "The blossoming May highlights the spring of the international peace year in Beijing. It is by such a good time that the tournament starts. The youth of various countries came here to spread the seeds of friendship in safeguarding peace and humanity of the future. I believe it will surely be fruitful."

Yuan Weimin, vice minister of the Chinese Physical Culture and Sports Commission and president of the Chinese Football Association, also made remarks. He said the tourney, which will feature different styles of South America, Europe and Asia to be displayed by players from world soccer powerful nations such as Brasil, England and France, apart from Thailand, would provide the Chinese players with an excellent chance to learn from their counterparts and delight the Chinese soccer fans.

Vice-Premier Wan Li received the managers of the four foreign teams prior to the ceremony.

The tournament will start this evening with Thailand vs. China's army team, England vs. China in the Workers' Stadium, while France vs. China's Liaoning, and Brazil vs. Beijing in Xiannongtan Stadium.



PLA CHIEF OF STAFF ARRIVES IN WASHINGTON

OW060622 Beijing XINHUA in English 0611 GMT 6 May 86

[Text] Washington, May 5 (XINHUA) -- Chief of General Staff of the Chinese People's Liberation Army (PLA) Yang Dezhi arrived here this afternoon for a 16-day friendly visit to the United States.

Yang, accompanied by his wife Shen Gejun and Vice Chief of General Staff Han Huaizhi, were greeted at the Andrews Air Force Base by Lieutenant General Richard Burpee of the U.S. Joint Chiefs of Staff; Han Xu, Chinese ambassador to the United States; and Zhang Zhi, Minister of the Chinese Embassy.

Upon his arrival, Yang said that he has "come with the aim to seek friendship" and to "continue the exchange of views with the U.S. side on issues of common concern."

"I am confident that this visit will also help to further develop the relations between our two countries and our armed forces," he said in a written statement. "We have always held that a stable and amicable relationship between China and the United States accords with the interests of our two peoples and makes for world peace," he added.

The Chinese chief of general staff was invited here by Chairman of the U.S. Joint Chiefs of Staff Adm. William Crowe. Earlier today, Yang and his party visited West Point Military Academy in New York before leaving for Washington.

U.S. OFFICIAL ON PROGRESS IN EXCHANGES WITH USSR

OW020918 Beijing XINHUA in English 0850 GMT 2 May 86

[Text] Washington, May 1 (XINHUA) -- A high-ranking U.S. official claimed today that despite the recent strains in U.S.-Soviet relations, progress has been made in implementing the new U.S.-Soviet exchange agreement signed in Geneva last November. Speaking to the American National Press Club this morning, Charles Wick, director of the U.S. Information Agency, which is responsible for implementing the agreement, told reporters that the Soviet Union, for the first time, has agreed to send groups of Soviet teenagers to the United States this summer and is giving serious consideration to sending students to study at a prep school in New England.

"This is an important, even momentous development which we are very excited about," he said. He added that the Soviets have also agreed in principle to expand the sister cities program from six to 16 cities, with a possible increase to 25 over the next two years.

The United States wants to increase people-to-people exchanges with the Soviet Union as a first step to improving relations between the two countries, Wick said. In recent months, Wick and other U.S. officials have traveled to the Soviet Union to discuss exchanges with their Soviet counterparts. Wick termed the discussions "friendly" and fruitful."

The new U.S.-Soviet exchange agreement resulted from the Geneva summit between President Reagan and Soviet leader Mikhail Gorbachev last November. The agreement will extend through 1991.

GORBACHEV RESPONDS TO TEST-BAN REQUEST

OW030304 Beijing XINHUA in English 0239 GMT 3 May 86

[Text] Moscow, May 2 (XINHUA) -- Soviet leader Gorbachev said his country is "in no hurry to resume" nuclear testing and still wants an accord with the United States to end atomic explosions, according to the official Soviet news agency TASS today.

In his response to an April 8 letter from the leaders of six nations calling for a ban on such tests, Gorbachev repeated his earlier proposal for a special summit with U.S. President Ronald Reagan in a European capital to discuss ways for terminating nuclear weapons experiments and said he supports the call issued by these leaders to both superpowers to refrain from nuclear testing until the second Gorbachev-Reagan summit, scheduled in the United States later this year. The six nations who made the appeal to the United States and the Soviet Union are Argentina, India, Mexico, Tanzania, Sweden and Greece.

Gorbachev announced a unilateral nuclear test ban last summer lasting from August 6 to the end of 1985 and extended it until such time as the United States conducted such a test. The Soviet Union ended the eight-month-old moratorium last month following one of Washington's nuclear detonations. Noting that his country "took a certain risk" by its unilateral moratorium, Gorbachev said, "We are compelled to lift the unilateral commitment taken by us voluntarily not to conduct any nuclear explosions, because we cannot waive our own security and the security of our allies and friends. I repeat the actions of the U.S.A. compelled us to take this decision."

The Soviet leader said, however, "I would like to emphasize that the Soviet Union is doing everything necessary to make a bilateral Soviet-American moratorium a reality. We are prepared to return any moment to the question of a mutual moratorium if the United States does not conduct nuclear tests." "We are in no hurry to resume nuclear tests," Gorbachev said.

Gorbachev said Washington's actions following the U.S.-Soviet Geneva summit last November are "at variance with the task of searching ways for improving international relations and intensifying the positive tendencies that emerged as a result of the meeting." Gorbachev accused the United States of causing "direct damage" to the dialogue between the two countries.

MOSCOW CRITICIZES U.S. APPROACH TO TOKYO SUMMIT

OW050258 Beijing XINHUA in English 0155 GMT 5 May 86

[Text] Moscow, May 5 (XINHUA) -- The Soviet media yesterday criticized Washington for intending to harness its partners at the seven-nation summit in Tokyo with its "neoglobalism" and to "gloss over" disagreements in the economic field. "The very first statements by U.S. President Ronald Reagan (in Tokyo) have indicated that Washington intends to take advantage of the Tokyo meeting to harness its partners to further its aggressive neoglobalist strategy," said a report by the official TASS news agency.

TASS was referring to comments made by Reagan in his weekly radio address to the American people, which was delivered from Tokyo. The Soviet Communist Party newspaper PRAVDA said the United States wants to emphasize terrorism at the summit "to divert... attention from the most important problems of international relations." The TASS report also said the seven nations at the summit -- Britain, Canada, Federal Germany, France, Italy, Japan and the United States -- will be unable to agree on ways to resolve their economic differences.

BOLIVIAN FOREIGN MINISTER BEGINS VISIT

## Arrives in Beijing

OW021607 Beijing XINHUA in English 1558 GMT 2 May 86

[Text] Beijing, May 2 (XINHUA) -- Guillermo Bedregal Gutierrez, Bolivian minister of foreign affairs and worship, who leads a government political and economic delegation, flew in here this evening. He has come at the invitation of Wu Xueqian, Chinese state councillor and foreign minister. Among those welcoming him at the airport was Zhu Qizhen, vice-foreign minister.

Minister Bedregal is the first Bolivian foreign minister to visit China since the two countries established diplomatic relations in July 1985. Before his departure, he said at the airport of La Paz that, his China visit aims at deepening cooperation and exchanges between Bolivia and China in the fields of politics, economy, culture, science and technology. He said he will also hold discussions with Chinese leaders on international developments and issues directly related to the interests of developing countries especially Bolivia and China.

## Holds Talks With Wu Xueqian

OW031338 Beijing XINHUA in English 1249 GMT 3 May 86

[Text] Beijing, May 3 (XINHUA) -- Both Chinese and Bolivian foreign ministers expressed their satisfaction with the smooth development of the bilateral relations during their talks held here today.

Wu Xueqian, Chinese state councillor and foreign minister, and Guillermo Bedregal Gutierrez, visiting Bolivian minister of foreign affairs and worship, exchanged views on the international issues of common concern and ways to continue the development of bilateral relations. Wu said since the establishment of diplomatic relations between the two countries in July 1985, relationship between China and Bolivia has entered a new stage. He spoke highly of the efforts made by the Bolivian Government for the establishment and development of the bilateral relations. He stated both China and Bolivia are engaged in the national development, and interested in the growth of South-South cooperation. He expressed his belief that mutual understanding and friendly cooperation between the two countries will continue to grow.

Bedregal said as Bolivia is a developing country, it works for Non-Aligned Movement, the enhancing of unity among developing countries and the safeguarding of world peace. He said friendly cooperation between the two countries enjoy broad prospects and, in particular, there are good conditions for further economic and technological cooperation.

## Wu Xueqian Addresses Banquet

OW031628 Beijing XINHUA in English 1610 GMT 3 May 86

[Text] Beijing, May 3 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian expressed the belief here today that Sino-Bolivian friendly cooperation would see fast growth through common efforts by the two countries. Wu said this at a banquet he gave here this evening to welcome visiting Bolivian Minister of Foreign Affairs Guillermo Bedregal Gutierrez and a Bolivian Government political and economic delegation led by him. Wu praised the Bolivian Government and people for their continued efforts to safeguard their national sovereignty and revitalize their national economy. The establishment of Sino-Bolivian diplomatic relations in July 1985 opened a new chapter in the relations between the two countries, he pointed out.



He said that the visit of the Bolivian minister, in less than a year after the establishment of diplomatic relations, demonstrated the importance the Bolivian Government attached to the development of its relations with China. Wu said that the two countries share identical or similar views on many important international issues as well as a common wish to further their relations. He expressed sympathy with many Third World countries which are facing serious economic problems caused by the irrational international economic order as well as natural disasters.

[Beijing XINHUA Domestic Service in Chinese at 1635 GMT on 3 May in a similar report adds the following: "On the international economic situation, Wu Xueqian said: Because of irrational international economic order, the majority of developing countries are having great economic difficulties and facing such pressing problems as huge debts, intensified trade protectionism, lower prices of primary products, and natural disasters. We deeply sympathize with these countries."]

He reiterated that it is an important aspect of China's foreign policy to strengthen its unity and cooperation with other developing countries. China, as a developing socialist country, will stand unswervingly on the side of the Third World countries and work together with them to transform the old international economic order, promote the North-South dialogue and strengthen South-South cooperation.

Bedregal said in his toast that his visit to China is of great significance. The Bolivian and Chinese peoples share identical views on safeguarding their ideals and fighting to obtain their goals. He condemned some countries for aggravating international relations by creating tension to further their own interests. He said that Bolivia, with its political will and stability, is a basic member of the Non-Aligned Movement. The Third World countries, he said, should establish various institutions to safeguard world peace and triumph over the remnants of colonialism and neo-colonialism courageously and forcefully. Above all, he added, an international law for democracy and peace should be worked out to counter occupation of other countries and hegemonism.

#### Meets With Li Xiannian

OW051420 Beijing XINHUA in English 1358 GMT 5 May 86

[Text] Beijing, May 5 (XINHUA) -- President Li Xiannian said here today that China is a developing country and wants to strengthen its cooperation with Bolivia and other Third World countries in its socialist construction. Li made these remarks during a meeting with a government political and economic delegation led by Bolivian Minister of Foreign Affairs and Worship Guillermo Bedregal Gutierrez.

Li said that China and Bolivia enjoy very good relations and share identical or similar views on many issues. Li also noted that Bedregal had been the first Bolivian high-ranking official to visit China at the head of a government delegation since the establishment of diplomatic relations between the two countries last July. The current visit would promote the development of Sino-Bolivian cooperation and friendship, Li said.

Turning to international issues, Li reiterated China's firm support to the Contadora Group, hoping that the South-South cooperation will be enhanced to help promote the "North-South dialogue".



Bedregal said that Bolivia, a member nation of the Non-Aligned Movement, supports the Contadora Group and the Lima Group in their efforts for a peaceful solution to conflicts in Central America. Bedregal hoped that Bolivia and China, both Third World countries, should continue to strengthen their cooperation and share each others's experience.

The Bolivian minister forwarded Li a letter from Bolivian President Victor Paz Estenssoro to Chairman Deng Xiaoping.

#### Gives Medal To Wu Xueqian

OW051424 Beijing XINHUA in English 1405 GMT 5 May 86

[Text] Beijing, May 5 (XINHUA) -- Guillermo Bedregal Gutierrez, Bolivian minister of foreign affairs and worship, conferred a great-cross-grade National Medal of the Andes Condor on Chinese State Councillor and Foreign Minister Wu Xueqian here this evening.

Wu expressed his thanks for the honor accorded to him. He said that Bedregal's current China visit is a great event in Sino-Bolivian relations and that bilateral cooperations will score greater success.

Wu was also honored at a banquet given by the Bolivian foreign minister after the ceremony. The Bolivian guests left here tonight for a visit to Shanghai and Guangzhou.

#### Meets Zhu Liang

OW051426 Beijing XINHUA in English 1407 GMT 5 May 86

[Text] Beijing, May 5 (XINHUA) -- Zhu Liang, head of the International Liaison Department of the Chinese Communist Party Central Committee, met with Guillermo Bedregal Gutierrez, Bolivian minister of foreign affairs and worship, here today.

Bedregal conveyed the desire of the Nationalist Revolutionary Movement of Bolivia to expand its relations with the Chinese Communist Party.

Zhu Liang said the Chinese Communist Party is willing to develop its relations with the Bolivian movement and other friendly political parties on the principled basis of independence, complete equality, mutual-respect and non-interference in each other's internal affairs.

The Bolivian minister called on Chinese Minister of Metallurgical Industry Qi Yuanjing and Minister of Agriculture, Animal Husbandry and Fisheries He Kang this afternoon. They also paid their respects to the remains of late Chairman Mao Zedong here.

#### Signs Cooperation Accords

OW051724 Beijing XINHUA in English 1403 GMT 5 May 86

[Text] Beijing, May 5 (XINHUA) -- Four documents on cultural and economic cooperation between Chinese and Bolivian Governments were signed here this evening. The documents were signed by Chinese State Councillor and Foreign Minister Wu Xueqian and Bolivian Minister of Foreign Affairs and Worship Guillermo Bedregal Gutierrez on behalf of their respective governments. These documents comprise an agreement on cultural cooperation, an agreement on economic and technological cooperation, a protocol on projects of economic and technological cooperations and a note on the partial [spelling as received] repair of the national number one irrigation system of Bolivia.

LI XIANNIAN, CITY LEADERS INSPECT TIANJIN

OW051431 Beijing XINHUA Domestic Service in Chinese 0057 GMT 5 May 86

[By reporter Zhu Zemin]

[Text] Tianjin, 5 May (XINHUA) -- On a recent inspection tour of Tianjin, Li Xiannian, president of the PRC and Standing Committee member of the Political Bureau of the CPC Central Committee, emphatically pointed out: In developing the economy and carrying out reform, we must pay attention to strengthening ideological and political work. Our party has built itself up by relying on ideological and political work. We cannot do anything well without ideological and political work. He pointed out: In doing ideological and political work, we must continue to bring forth new ideas and pay attention to our experience and the law in carrying out ideological and political work during the new period.

From 17 April to 3 May, accompanied by Tianjin Municipal CPC Committee Secretary Ni Zhifu, Tianjin Mayor Li Ruihuan, and others, President Li Xiannian inspected factories, rural areas, and various city construction projects in Tianjin, the new Tianjin port, and the Tianjin economic and technical development zone now under construction. He also met with representatives from all walks of life and some veteran comrades who had retired. Together with Comrade Hao Jianxiu, member of the Secretariat of the CPC Central Committee, he heard a briefing on the work of the Tianjin Municipal CPC Committee and the Tianjin Municipal Government. Li Xiannian said: The leading bodies of the Tianjin Municipal CPC Committee and the Tianjin Municipal Government are united as one. This is a fundamental requirement in strengthening party leadership and scoring victories. He said: During the "Sixth 5-Year Plan" period, Tianjin's total industrial output value rose by 50 percent. It reached 28.5 billion yuan in 1985. It is not easy to attain such an achievement after a decade-long chaotic situation and a severe and disastrous earthquake. In this regard, Tianjin has the support of the central authorities as well as its own existing foundations. However, ultimately, we must attribute such an achievement to the joint efforts of the masses, cadres, intellectuals, and the people of all walks of life of Tianjin.

Li Xiannian said: Currently the situation in the whole country is fine. So is the situation in Tianjin. We may encounter some problems in the course of advance. We must face these problems squarely and try to solve them step by step. The city of Tianjin has accumulated some experience in promoting planned economy and carrying out market regulation. It should do a good job in summing up such experience. I realize that the Tianjin people's enthusiasm is high and their spiritual outlook is fine. It means that Tianjin has a bright future.

Li Xiannian hoped that the leading party and government comrades of Tianjin City will implement the guidelines of the National Party Congress and the Fourth Session of the Sixth National People's Congress in close connection with the actual situation in Tianjin, creatively do their work, overcome difficulties in the course of advance, and continue to work hard to develop the favorable situation.

President Li pointed out: The key to developing socialist modernization lies in having qualified people. We must pay full attention to education and run kindergartens, primary and middle schools, and colleges well. We must improve teaching standards and train all types of qualified people. At the same time, we must encourage people to master advanced scientific and technical skills and managerial expertise through self-study. Both measures are of great importance. We must do a good job in linking the two measures.

When President Li Xiannian was in Tianjin, the 5th Session of the 10th Tianjin City People's Congress was held there to discuss and examine the city's Seventh 5-Year Plan for economic and social development. President Li Xiannian met with the deputies attending the session and called on the people of Tianjin to work hard to fulfill the state's as well as the city's own "Seventh 5-Year" plan and to do a good job in carrying out reform and construction. He said: The central task in carrying out the state's "Seventh 5-Year" plan is to carry out reform, with reform aimed fundamentally at developing the productive forces of society. We must concentrate our efforts on developing production. In the field of industry, we must pay attention to reducing production costs, improving production quality, and raising economic efficiency. In the field of agriculture, we must grasp production. Only if grain output steadily rises, will it be possible for us to promote diversified economy. To increase industrial and agricultural production, we must first rely on policy. Second, we must rely on our knowledge of science and technology. Third, we must rely on our efforts to continuously improve production conditions. More importantly, it is necessary to rely on our awareness. We must adhere to the principle of "to each according to his work." At the same time, we must educate people on communist ideas, bring into full play the communist style of work, and make still greater contributions to the masses.

When Li Xiannian inspected Zhaoguli village in Dabizhuang Township in Tianjin's eastern suburbs, Li Wenlin, head of the village, said: The village produced 12 million jin of vegetables last year. Although the state stipulates that vegetable farmers can sell 30 percent of their vegetables on the market, peasants who contracted for vegetable plots sold all their vegetables to the state. President Li Xiannian praised him, saying: "Good. You have done well. After deregulating vegetable prices, it is necessary to keep them steady. The key lies in increasing vegetable production. You have not only supported the city and made price reform a success, but also become well-to-do yourselves." After visiting vegetable farms and the village-operated Tianhua gem and crystal factory, President Li Xiannian met with Liu Wenming, a peasant with a high income. President Li said: "If all peasants had an income like yours, our country would be rich and prosperous."

President Li Xiannian also visited the newly completed western section of the Zhonghuan line [not further identified] as well as the eastern section of the line now under construction. From the beautiful lawn of the 19-km-long belt-shaped Haihe Park, President Li watched the beautiful scenery along the banks of the Haihe River. Many earthquake shelters had been built there after the 1976 earthquake. Now, there is no earthquake shelter in sight. The place has become a recreation center with many flowers and trees as well as sightseers and tourists. President Li asked the city's leading comrades to put more chairs and benches in the park so that people can sit and relax. In the newly completed residential area north of the Tianjin College of Physical Culture, President Li showed great interest in the green lawns and some of the garden ornaments seen between rows of six-story residential buildings. Mayor Li Ruihuan said: We plan to gradually supply gas, plant more trees, provide families with domestic help, and set up a central heating system for the residential area. Li Xiannian said: "That would indeed be a big event and also a good deed. We communists seek to wholeheartedly serve the people." Accompanied by Comrade Ni Zhifu, Li Xiannian also visited the Jizhuangzi sewage disposal plant. This plant, the largest sewage treatment plant in China, can treat 260,000 tons of sewage each day. It not only purifies water for the city and irrigates farmland, but also generates electric power by using the marsh gas that it extracts from the sludge. This plant now serves 1.08 million people. President Li Xiannian wrote an inscription for the plant, which reads: "Bring benefit to people."



XI ZHONGXUN SPEECH AT MAY 4TH MOVEMENT FORUM

OWO41419 Beijing XINHUA Domestic Service in Chinese 1522 GMT 3 May 86

[Captilized passages denote boldface as indicated by XINHUA]

["Several Points of Expectations of Our Youth" a talk at a forum marking the 67th anniversary of the "May 4th" Movement on 3 May 1986, by Xi Zhongxun]

[Text] Beijing, 3 May (XINHUA) -- Young friends, comrades: I am very happy today to join the youth representatives from various circles at this forum to celebrate the "May 4th" Youth Day. On behalf of the CPC Central Committee and the State Council, I want to extend my warm congratulations to you and the young people of various nationalities of the entire nation!

The "May 4th" Movement, which took place in 1919, was a great revolutionary movement to oppose imperialism and feudalism in the history of China. The May 4th revolutionary spirit has always inspired our young people to advance. What is this "May 4th" revolutionary spirit? To put it briefly, it is the spirit of patriotism, the spirit of promoting democracy and science, and the spirit of unity between the young intellectuals and the workers and peasants. In commemorating "May 4th" today, we call on the vast number of youths to carry forward the "May 4th" revolutionary spirit under new historical conditions, to more closely unite around the party and the government, and to make new contributions in building a highly civilized, democratic, and modern socialist nation. For that reason, I propose several points of expectation of our young people:

FIRST, IT IS NECESSARY TO ACTIVELY PARTICIPATE IN THE REFORM. Reform is the only way to build socialism with special Chinese characteristics. Currently, the structural reforms in economic affairs, science, technology, and education are developing in depth in both the cities and the countryside. Our vast number of young workers, peasants, and intellectuals and other working youths must seriously study to understand the target, significance, principle, and policy of reform and actively participate in various forms of reform with a keen sense of responsibility. This is also a call for carrying forward socialist democracy in the new situation. A few days ago, GONGREN RIBAO published a long letter of suggestions by a young worker of the Anshan Iron and Steel Company. In that letter, the young worker made a series of suggestions with keen insight concerning plant reform, production, management, and ideological and political work to the plant leadership. It is highly commendable that an ordinary worker should be so concerned about the overall reform prosperity and well-being of the nation, and future of the plant. We must vigorously encourage such a keen sense of responsibility. Being on the forefront of industrial and agricultural production, the vast number of young staffers, workers, and peasants are highly enthused over reform. We must encourage them to emancipate their thinking, be bold in pioneering, and dare to practice. Leaders at all levels must pay attention to the young people's suggestions for reform and warmly support any pioneering undertakings that meet the requirement of reform. In the course of the reform, the young people must also learn how to currently handle the relationship between state, collective, and individual interests and consciously put the interests of the state above all else. If the young people fulfill these things, they will be a great force in promoting the healthy development of the reform.



SECOND, IT IS NECESSARY TO DO A REMARKABLE JOB IN ONE'S OWN WORK. In a report at last year's national CYL Congress, there was a sentence, which reads "doing great pioneering work in the four modernizations means making outstanding achievements in one's own work." I think the sentence is well-said. As everyone knows, the "Seventh 5-Year Plan" adopted at the Fourth Session of the Sixth NPC not long ago was a very good plan. But a plan is only a plan no matter how good it is. Only when everyone strives to fulfill it at his own post can we turn the plan into reality. Therefore, the vast number of young people on the industrial, agricultural, scientific, technological, cultural, education, public health, finance, trade, and other fronts must comply with the requirements of the "Seventh 5-Year Plan" and make outstanding achievements at their own positions in accordance with the goals of struggle of their own professions and units. If everyone can make extraordinary achievements at his ordinary position, our "Seventh 5-Year Plan" will surely be fulfilled even better than the "Sixth 5-Year Plan." Making contributions in fulfilling the "Seventh 5-Year Plan" and realizing the four modernizations will be a heroic patriotic undertaking befitting the young people of China today.

THIRD, IT IS NECESSARY TO ENTHUSIASTICALLY PARTICIPATE IN SOCIALIST SPIRITUAL CONSTRUCTION. Because young people are full of ideas, are quick to accept new things, and have multiple spiritual needs, they are one of the most active forces in spiritual civilization construction. In recent years, the vast number of young people have been pioneers in promoting new social practices. For example, the reading and speech-making activities of the urban staffers and workers, activities to help difficult and poor households in the rural areas, activities of heroes and models to report their heroic and model deeds, and the consultative service provided by students in the streets have all been initiated by the young workers, peasants, PLA fighters, and young students. They have all played excellent roles in socialist spiritual civilization construction. It is necessary to fully affirm the status, function, and main trend of the vast number of youths in socialist spiritual civilization construction. At the same time, it is also necessary to point out that in the new situation of opening to the outside world and enlivening the domestic economy, negative factors have been found in the areas of ideal, discipline, and morality among the young people which should not be overlooked and must be overcome with sincere efforts. The vast number of youths must continuously make efforts to study science and cultural knowledge, skillfully master technology, and learn to gradually fit themselves into the civilized, healthy, and scientific socialist lifestyle. It is necessary to vigorously propagate legal knowledge among the young people and make everyone of them study, understand, and abide by the law. It is necessary to vigorously strengthen education in professional ethics, enforce labor discipline, and correct unhealthy tendencies in various professions and trades. It is necessary to vigorously strengthen marriage and family ties, promote moral training, encourage correct attitudes toward love between both sexes, and develop family relations of equality and harmony. In rural areas, it is necessary to eliminate superstition, mercenary marriages, and extravagance and waste in wedding ceremonies or funeral rites. We believe that the vast number of young people can temper themselves into a new generation which has ideals, is morality-minded and well-educated, and observes discipline.

FOURTH, THE YOUNG INTELLECTUALS SHOULD MAKE A CONSCIOUS EFFORT TO INTEGRATE THEMSELVES WITH THE WORKERS AND PEASANTS. While the young intellectuals are relatively rich in cultural and scientific knowledge, quick of mind, and pioneering in new things, they are also poor in practical experiences and are easily divorced from reality. All promising young intellectuals must consciously integrate themselves with the workers and peasants and with reality.

On the one hand, they must dare to "climb high mountains" and diligently study Marxism, while on the other hand, they must be hardworking in "penetrating depths" to widely unite with the masses and go into reality. Only by closely linking one's own ideals and goals with the interests of the party and the people and tapping one's own talent and ability to solve real economic, political, cultural, and social problems can one temper oneself in an even larger environment to improve one's ability and become a qualified person, that meets the motherland's needs. Shouldering the honorable mission of leading and organizing CYL members and other youths in promoting various activities, the vast number of CYL cadres must march at the head in uniting with the workers and peasants.

In conclusion, I would like to quote a poem by a Tang Dynasty poet Li Shangyin, who wrote: "On the 10,000-li Danshan road lined on both sides with phoenix trees, the young phoenixes can sing even better than the old ones," which says that when the phoenix trees are in full bloom, the young phoenixes can sing even more beautifully than the old ones. In quoting the poem to encourage our young people, I hope that you unite as one and make even more brilliant achievements than us, the older generation, in socialist modernization.

#### RENMIN RIBAO URGES IMPLEMENTATION OF POLICY

HK301053 Beijing RENMIN RIBAO in Chinese 27 Apr 86 p 4

["Special Commentary" by Zong You: "Implementation of Policy Must Be Grasped to the Finish"]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, under the leadership of the CPC Central Committee, the State Council, and the party committees at all levels, all localities and departments have done much to set right the historical problems which, under the guidance of "leftist" ideas, were erroneously dealt with before and during the "Great Cultural Revolution." They have achieved great successes and have exerted a very good influence at home and abroad. This is of great importance to consolidating and developing the practical situation characterized by stability and unity, stimulating the four modernizations program and various reforms, and facilitating the reunification of the motherland at an early date.

However, numerous problems left from the past are yet to be solved in various localities and departments, and the task of implementing the policy is still very arduous. Some 30 percent of the letters sent by the masses and their visits are concerned with requests to solve the problems left from the past. Some have become "long-standing, big, and difficult" problems either because they are long-standing and complicated, the units handling them at that time have undergone changes, or because the local authorities have insufficient financial resources. It is indeed not easy to solve these problems. However, we should not stand still in the face of difficulties but should press forward at a brisk pace and grasp the problems to the end. We can at least cite three reasons for this. First, if the problems left from the past are not satisfactorily solved, the people will not stop visiting or writing to the higher authorities. Since the relevant departments must receive these people and handle their problems, they cannot engage in the four modernizations with one heart and one mind. Moreover, the more they procrastinate, the more passive they will become. If something should go wrong, the contradictions may intensify and become an unstable social factor detrimental to the smooth progress of the four modernizations. Second, in some long-standing problems, the number of witnesses who can provide "living data" has dropped. If we do not pay close attention to handling these problems, it will be difficult to draw correct and reliable conclusions after these "living data" disappear. The problems will become unsettled issues in history.

Third, some of the relevant people are so advanced in years that it is necessary to properly handle their problems while they are alive. In this way, they can spend their remaining years with an easy mind.

The recently held national work conference on implementing the policy on Overseas Chinese affairs pointed out that effective measures should be taken this year and the next to basically solve, on a national scale, the problems relating to returned Overseas Chinese and the relatives of nationals residing abroad left from the past. Some localities and departments have also set forth the tasks of basically implementing the policy this year and the next.

These plans demonstrate the guideline of the central authorities, which repeatedly stress the need to pay close attention to solving the problems left from the past and to basically fulfill the task of implementing the policy in the near future. However, there are also some localities and departments that do not pay close attention to this work. They work slowly and even mark time. The various obstacles in ideology and style in these localities and departments must be conscientiously removed.

-- Some people refuse to redress unjust, false, and wrong cases by citing the difficulties that will be met in dealing with the aftermath of these cases. Comrades entertaining this fear of difficulty should understand this truth: As far as the party and the government are concerned, the prestige of the policy comes first, the specific difficulties come second. Therefore, the latter should be subordinated to the former. We should not forget or disregard the prestige of the party and government policies just because it is difficult to surmount the specific difficulties. Since the facts relating to unjust, false, and wrong cases have been established through investigation, it is necessary to redress them without hesitation. We should first rehabilitate the relevant people politically and remove their heavy political burdens so that they can be emancipated spiritually. As for the specific difficulties in dealing with the aftermath of the cases, we will certainly be able to find a rational solution.

-- Some people flatly refuse to redress unjust, false, and wrong cases. Some units or personnel originally handling the cases obstinately refuse to reinvestigate them because they are afraid of negating themselves or adversely affecting their own prestige or because they want to leave something to prove that at least they were not entirely wrong in the first place. Comrades entertaining this erroneous idea should understand that history is inexorable and that the whole truth will eventually come out. If they can restore historical truth 1 day earlier, they will be able to take the initiative 1 day earlier. In a sense, a person who has the courage to admit and correct his mistakes will not lower his prestige but will make a contribution in enhancing the prestige of the party and government policies. Unjust, false, and wrong cases were brought about under specified historical environments and under the guidance of "leftist" ideas. As far as the overwhelming majority of the people handling the cases are concerned, they have been responsible only for carrying out orders. So long as they correct their mistakes, they will gain the forgiveness of the relevant people and the masses. The previous facts on the implementation of the policy have amply proved this. For these reasons, we hope that the leaders of the relevant localities and departments will adopt a vigorous and conscientious attitude toward the problems left from the past.

Some people resort to the practice of "heating leftover rice." A small number of units adopt an unconscientious and irresponsible attitude toward cases against which the masses repeatedly appealed or which the higher authorities instructed them to reexamine.



They take the previous findings and decisions from the archives and dish them up in a new form in order to deal with the complainers and the higher authorities perfunctorily. This is a delaying tactic frequently adopted by some bureaucrats. Those who regard other people's political life or suffering as a trifle matter should look at everything from another person's angle and think: How would you react if you or your relatives and good friends were in their positions? Would you like others to perpetuate your suffering? In truth, you cannot deal with the relevant people and the higher authorities perfunctorily because they will not agree. You are bound to conscientiously reexamine the cases and correct the mistakes in real earnest. The problem is that you will bring greater losses to the prestige of the party and government policies.

--Some units shift responsibilities onto another. Because of institutional changes or different or ill-defined division of professional work, some departments concerned shift the responsibility for reexamining problems left from the past onto another. By making the complainers go to and fro among several departments, they have managed to leave the problems unresolved for a long time. With regard to this type of problem, we should advocate the spirit of taking the initiative. Since the problem is related to your department and since the relevant people have asked you for help, you should take the responsibility and, along with the other relevant departments, discuss the methods for its solution. If you fail to reach a consensus, you should promptly report to the higher authorities and ask them to act as mediators. Even if the problem should be handled by other departments, you should also keep to the stand of the party and determine whether it should be solved. And, if the problem should indeed be solved, you should lose no time in helping the complainer till the problem is solved. This is precisely an attitude we communists should adopt.

-- Stressing that they have no specific policies to go by, some localities adopt a wait-and-see attitude. Regarding some problems left from the past, some localities stress that, since there are no specific policies from the higher authorities, they find it difficult to handle the problems, and they will have to wait until specific policies have been worked out. What they call specific policies refer to those policies that perfectly match the outstanding problems. They fail to understand, however, that the problems left from the past are so different from one another that it is neither necessary nor possible for the higher authorities to work out very detailed and specific policies. The central authorities have issued numerous documents on problems left from the past and have worked out numerous specific policies on various major aspects. To sum up, the general guideline of these policies is: Regarding those who have been dealt with erroneously, it is necessary to thoroughly rehabilitate them politically, to make appropriate compensation economically, to rationally employ them, and to make appropriate arrangements for their livelihood. The relevant local party committees and governments can give play to their initiative and, in light of the established policies of the central authorities and the practical conditions in their localities, actively study and solve those specific problems. Over the past 2 years, a certain province has taken the initiative to arrange, in order of importance and urgency, the problems left from the past in the province. After making a thorough investigation and study, it has worked out specific policies covering a dozen aspects; these make it possible to solve the problems of hundreds of thousands of people left from the past. In light of the basic guideline of the central policies, some localities have also adopted flexible measure to appropriately solve many special problems left from the past. We should encourage this positive attitude. Other localities should also make use of their experiences.



The work of straightening out party work style and rectifying unhealthy practices currently being carried out on a national scale has created an extremely favorable condition for solving the problems left from the past and for fulfilling the task of implementing the policy as soon as possible. So long as the party committees and governments at all levels strengthen leadership, make further efforts to achieve unity of thinking, carry out ideological and political work well, prevent and overcome the ideas of fearing difficulty and being sick of the work, never slacken their efforts, and take effective measures, they will certainly be able to satisfactorily implement the policy from start to finish and to further arouse the initiative of all quarters. In this way, the whole party and the people throughout the country will be able to engage in the four modernizations program with one heart and one mind.

RENMIN RIBAO ON GIVING PRIORITY TO REFORM

HK260501 Beijing RENMIN RIBAO in Chinese 21 Apr 86 p 5

[Article by Gui Shiyong: "Adhere to the Principle of Putting Economic Structural Reform First"]

[Text] The most important characteristic of the Seventh 5-Year Plan is that it puts the all-round implementation of economic structural reform as a task of first priority and makes our reform and construction be suited to and promote each other. Deeply understanding the necessity and basic contents of this policy of the CPC Central Committee is of very great significance in correctly carrying out and satisfactorily fulfilling the Seventh 5-Year Plan.

The Necessity of Giving First Priority to Economic Structural Reform in the Seventh 5-Year Plan Period

Giving first priority to reform in the Seventh 5-Year Plan period is not determined by people's subjective desire, but by the objective process of our country's economic and social development.

For a long period of time, our country scored great, but not ideal, achievements in its economic development. The first reason for this was our political instability. As we implemented the "leftist" policy of "regarding class struggle as the key link," endless waves of political campaigns seriously hindered the normal development of our economy. During the "Great Cultural Revolution," we even went to the extreme of negating production and construction. The "leftist thoughts" have also permeated our economic work itself and our "impatience in transforming" the ownership of means of production and our "impatience in pursuing a great growth rate" in our production and construction has caused us to suffer many losses. The second reason was that the existing economic system fettered our productive forces. Our over centralized management not only seriously constrained the vitality and vigor of our enterprises, but also unavoidably gave rise to subjective willfulness and bureaucracy in managing our economy and thus made it impossible for our economic activities to achieve their due results. Since the 3d Plenary Session of the 11th CPC Central Committee, through extensively and deeply bringing order out of chaos, we have resolutely discarded "leftist" theories and policies, consolidated and developed the political situation of stability and unity, promptly switched the focus of the work of the whole party and country onto our socialist modernization, and formulated an economic strategy and a series of principles and policies that are suited to our country's basic national conditions. This has created fine political preconditions for the healthy development of our economy.

At the same time, our economic structural reform has gradually extended from our rural to our urban areas. Our reform has already made tremendous progress and scored particularly marked achievements in our rural areas. But we have only won an initial battle in carrying out the all-round reform with the focus on urban reform. In order to attain our expected goal, it is necessary to do much more work and spend a relatively long time doing it. Therefore, persisting in carrying out our reform and continuing to remove various obstacles in our economic system that fetter the development of our forces has historically become a key link that we must grasp in order to promote our country's economic development.

We should also see that through the reform in the past few years, we have broken many aspects of the old system and gradually increased the factors of the new system in our economy and made them play an increasingly important role in the operation of our economy. Generally speaking, if we say that before the 3d Plenary Session of the 11th CPC Central Committee, the old system mainly played a dominant role, then since we took a major step in carrying out all-round reform with the focus on urban reform in 1985, a new situation of the coexistence and interaction of the new and old systems has begun to emerge. This has been the result of our vigorous efforts in carrying out the reform in the past and is also the reason why we should concentrate our energy to accelerate the reform in the future. Because of various subjective and objective reasons, in our country, it is impossible for us to adopt a "1-package" method to complete the reform at one stroke and we can only proceed in an orderly way and step by step and gradually realize our reform in order to reduce social turbulence and have more opportunities to grope for our way. Therefore, it takes time for the old system to wither away and the new system to take shape. During this process, the coexistence of the old and new systems is unavoidable and it takes a relatively long time for the new system to entirely replace the old one. However, this does not mean that we can allow the two systems to coexist on an equal footing for a long time, for this would inevitably give rise to a series of conflicts and problems and be detrimental to the development of our reform and construction. The major problems are as follows: 1) It will be difficult for the mechanism of our enterprises' behavior to be rational. As there are still relatively many fetters of the old system, our enterprises, large ones in particular, still lack sufficient vitality. In addition, as the new system is incomplete, as its various parts fail to coordinate with one another, and as some reform measures are not yet perfect, it is often impossible for our enterprises to correctly exercise the power and rights they have already acquired and it is still very hard to avoid the phenomena of enterprises shouldering responsibility only for their profits but not for their losses and of blindly pursuing short-term economic results. 2) It makes it even more difficult to exercise macroeconomic control. On the one hand, many parts of the old system have become ineffective or perform much weaker functions than they did in the past; on the other hand, the relevant functions of the new system have not yet been established and perfected. This will give rise to some loopholes in our management, and any carelessness in our management will give rise to a loss of control in some sector. In addition, lawless elements will also take advantage of loopholes to carry out their activities and thus cause confusion to spread and grow. 3) The reform has to a various extent shaken and readjusted the old relations of interests, but the layout of the new relations of interests has not yet taken shape. This will inevitably give rise to some unequal opportunities and irrational distribution of income, which will make the masses of people discontented.

Once all this worsens and endangers the stability of our economy as a whole and our social stability, we will be forced to adopt strong compulsory measures to control and correct it. This will often strengthen the old system. All this proves that it is not proper to allow the balance between the strength of the old and new systems to continue for too long a time. Otherwise, the normal operation of our economy will be hindered and there will be greater difficulties for continuing the reform. This requires us to give priority to reform and strive to achieve a decisive victory in a short time. By so doing we will mainly switch the operation of our economy into the orbit of the new system and then spend relatively more time to replenish and perfect the new system. This is a key to overcoming the contradictions and difficulties that we are encountering now and to promote the healthy development of our economy.

For a long-term historical point of view, this economic structural reform differs from the partial reform in some links that we should carry out throughout the whole socialist historical period. It is an all-round reform of the methods and mechanism of our economic operation under the precondition of adhering to the basic system and principles of socialism. This reform is a self-perfection of the socialist system; at the same time, it also contains a certain degree of revolutionary reform. It yields a long-term rather than a short-term effect in promoting our construction. In order to realize it, we should draw up careful plans and adopt a series of mutually related reform measures; therefore, we should concentrate all our force to carry it out in one period. The Seventh 5-Year Plan period is precisely such a key period in which reform should be regarded as a task of first priority, and we should arrange our construction in such a way as to facilitate the reform. This has already become a must. It by no means shows that we neglect the construction, but it is precisely aimed at creating conditions for the long-term steady development of our construction.

#### Our Economic Construction Should Be Suited to and Promote Our Economic Structural Reform

In order to give priority to reform and in order to arrange our construction in such a way as to facilitate our reform, the most important thing for us to do is to determine an appropriate economic growth rate and a rational construction scale and thus provide a relatively relaxed and stable economic environment for our reform. Generally speaking, in our reform we should remove excess rigid and centralized control in the light of the requirement of developing the planned commodity economy, consciously follow and apply the law of value, and give play to the positive role of the regulation of market mechanism in a planned manner. This reform must have the support of financial and material resources and needs a market with a rough balance between total demand and supply. The key to all the above is that we should maintain an appropriate growth rate and construction scale.

In order to ensure the smooth development of our reform, we must achieve a certain growth rate. If the economic growth rate is too low, it will be impossible to continue to augment the state's economic strength or ensure providing for the livelihood of the annual increase of 10 million people in our population and satisfying the demand for improving the living standard of the original population. Then we will not only lack the necessary force to support the reform, but also fail to strike a rough balance between total market supply and demand.



Therefore, under the precondition of improving our economic results, we should strive to achieve a relatively high growth rate that we will be able to sustain. However, if we pursue an excessive growth rate beyond actual possibility, we will give rise to tension in all our economic relations, which is detrimental to our construction as well as reform. Even if we can achieve such a growth rate for a certain period of time, we will not be able to maintain it for a long time. Once we fail to maintain it, our growth rate will fall sharply and this will yield serious negative consequences to our economic development. Precisely because of the above, on the basis of conscientiously striking a comprehensive balance between our needs and possibility, the Seventh 5-Year Plan decides an average annual growth rate of 6.7 percent for our gross industrial and agricultural output value, with agriculture growing by 4 percent a year and industry by 7.5 percent a year, and an average annual growth rate of 7.5 percent for our GNP. These growth rates are lower than the actual growth rates in the Sixth 5-Year plan period, but they are practical growth rates that do not deprive us of our reserve strength and are conducive to our reform.

In order to create a relatively relaxed economic environment and to achieve a rough balance between total social supply and demand, we must make the scale of our investment in fixed assets match our national strength. Our historical experience has time and again proved that expanding our investment scale beyond the limit of the state's financial and material resources will inevitably cause tension in various economic relations and a serious dislocation in proportional relationships. In this situation, it is hard even to maintain a sustained and stable increase in our economy, let alone to promote our reform. As our investment in fixed assets rose too sharply at the end of the Sixth 5-Year Plan period, some unstable factors have emerged in our economic line and further efforts are necessary to remove them. The CPC Central Committee proposed that in the first 2 years of the Seventh 5-Year Plan period, we should roughly maintain the scale of our investment in fixed assets at the level of 1985 and in the latter 3 years, we will appropriately expand it in the light of the situation then. According to the CPC Central Committee's decision, the Seventh 5-Year Plan stipulates that in the 5 years, the total volume of investment in fixed assets in the units owned by the whole people will be 896 billion yuan, 70 percent more than that in the Sixth 5-Year Plan period. Investment in capital construction will be 500 billion yuan, an increase of 49 percent. In implementing the plan, we must adhere to the principle of acting according to our capacity and be sure to control our investment scale within the scope allowed by our national strength. This is a decisive condition that ensures the smooth development of our reform.

Moreover, in order to promote the reform, besides paying close attention to maintaining an appropriate growth rate and construction scale, in carrying out our construction, we must also switch our entire economic development strategy into a new orbit. For it is necessary for the reform to last several years. In this process, our population will grow, our living standard should improve, and in order to achieve sustained development of our production, we must carry out construction of necessary projects. In addition, the implementation of various reform measures will often give rise to redistribution of the economic interests among the state, collective, and individual and among various social strata.

In order to make this redistribution more acceptable to our people, we must do our best to carry out readjustment on the basis of universal improvement of the economic interests of all parties. All these require that there should be relatively great increase in our national income. In the final analysis, only when we relatively greatly increase our national income while exercising proper control over the growth of our consumption and accumulation can our reform have a relatively relaxed economic environment and can there be relatively much room of maneuver for the implementation of various reform measures. There are only the following two methods to increase our national income: One is to greatly increase our input and to mainly rely on the increase in the total volume of production in order to increase our national income. The other is to mainly rely on reduction of material consumption and raising labor productivity in order to increase our national income as much as possible under the condition of maintaining an appropriate growth rate for our production. The former is what we adopted in the past. It is not only detrimental to promoting economic modernization. But is also inevitably restricted by our existing material resources. Pursuing an excessive growth rate and construction scale beyond the limit of our material conditions will lead to economic instability and is also detrimental to the progress of our reform. This is unacceptable. A correct choice between the two methods is to resolutely adopt the latter method, in other words, to better switch our economic development into the orbit centered on improving our economic results. This also shows that the change in the pattern of our system is closely and internally related to the change in our development strategy. They supplement and promote each other. Precisely on the basis of this requirement, the Seventh 5-Year Plan not only decides appropriate economic growth rates and construction scale, but also makes corresponding arrangements regarding our construction principles: 1) It places great emphasis on improving our economic results, in particular, on improving product quality and puts forth strict requirements and corresponding measures. 2) We should rationally readjust our investment mix, correctly select construction projects, and improve the economic results of our investment. 3) We should pay attention to scientific and technological progress and intellectual development and continue to switch to relying on scientific and technological progress in developing our economy. 4) Focusing on improving our capacity of exports and foreign exchange earning, we should continue to expand our foreign economic relations and trade and technological exchange. 5) We should fix a rational range for the improvement of our people's living standard and thus harmonize the development of consumption and accumulation. These principles reflect the major contents of our new economic development strategy and we should persist in carrying them out for a long time in the future. The conscientious implementation of these principles in the Seventh 5-Year Plan period is significant not only for the development of our construction itself, but also in making our construction and reform match and enabling our construction to support and promote our reform.

#### Economic Reform Should Be Suited to and Boost Development of Our Economic Construction

Persisting in putting reform first on the one hand requires that the arrangement of our construction be suited to our reform and that if necessary, our construction should appropriately make way for our reform; on the other hand, it requires that our reform should also be suited to our construction and play its role in boosting our construction.

Our reform proceeds in the process of our construction and its final goal is to boost construction; therefore, it cannot and should not proceed in isolation and divorced from our construction. At the same time, our reform needs financial and material support and should display its power through increasing the income and benefit of all sectors. All this can only be realized on the basis of the development of our construction. In this sense, we can say that boosting construction is a condition on which our reform relies for its smooth progress as well as the goal of our reform.

In order to make our reform suited to and boost our construction, first, the arrangement and steps of reform should take full account of the capacity of our economy and society in undergoing the reform and should be conducive to boosting steady economic growth. Generally speaking, the effect of our reform should be greater than the economic support it needs; otherwise, our reform will be meaningless. However, as specific reform measures often vary, so does the time they take to yield full effect. This gives rise to the problem concerning the capacity of endurance in the time when the reform measures implemented have not yet yielded their full effect. Within a certain range, we can appropriately reduce our construction scale in order to ensure the reform we urgently need to carry out, but if this is done beyond a certain limit, it will hinder the timely arrangement of some indispensable projects and thus affect the reserve strength of our economic development. Therefore, in carrying out our reform, we should also consider necessary construction and carry out our construction in accordance with our capacity under the condition of maintaining a basic balance between total social supply and demand and maintaining steady development of our economy. It is precisely under an all-round consideration of this requirement that our Seventh 5-Year Plan arranges our reform. It does not require completing all the reform work within the 5 years, but only requires roughly forming the framework of the new system and thus putting the operation of our economy into the orbit of the new system. This policy decision has been made by proceeding from reality and taking into consideration the whole situation of reform and construction, and is a decision that can be realized through making efforts.

In order to make our reform suited for and boost our construction, our reform measures should be implemented in close combination with and boost the implementation of various reform principles and thus effectively facilitate the change in our economic development strategy. Our various reform measures should be carefully designed and coordinated with one another in order to play their role fully as soon as possible and in order to minimize their mutual impedece and conflicts. As it is necessary to probe into many specific regulations and methods of the reform through practice, we should pay close attention to promptly discovering problems and summing up experience in order to improve our reform plans and measures. It is precisely out of consideration of the general goal of the reform and also of all the requirements for boosting the construction in the Seventh 5-Year plan puts forth the task of mainly and satisfactorily grasping three aspects of reform: 1) We should better intensify the vitality of our enterprises, in particular, the large and medium-sized enterprises owned by the whole people, and turn them really into relatively independent economic entities and into socialist commodity producers and operators that are managed independently and that shoulder sole responsibility for their profits and losses.



This is not only a key link in the formation of the new system, but also a problem that urgently needs solution at present in order to boost our production and construction. Large and medium-sized enterprises are the backbone for our country's economic development and technological progress. During the Seventh 5-Year Plan period, in order to improve our economic results, product quality, production composition, product mix, and enterprise structure, we must augment our capacity of self-transformation and self-development. At the same time, we should perfect the mechanism of our enterprises' behavior and strengthen their self-restriction. 2) We should continue to develop the socialist commodity market and perfect our market system. The key to this work is to continue to reform our price system and price management system and focus on resolving the problem of the excessively low prices of energy, raw materials, and other means of production. This is not only aimed at creating for our enterprises an external economic environment that both imbues them with stimulus and bears pressure on them, but is also an important measure to rationally readjust our investment structure and production composition. 3) The state's management over enterprises has gradually switched from mainly exercising direct control to mainly exercising indirect control and a new socialist macroeconomic management system has been established. This provides a guarantee to ensure that the microeconomic activities of our enterprises conform to the macroeconomic requirements and also a necessary condition for controlling and regulating investment and consumption funds and foreign payments and maintaining a basic balance between total social demand and supply during the Seventh 5-Year Plan period.

From this analysis, we can see that conscientiously and steadily pushing forward the reform in the Seventh 5-Year Plan period is the most important guarantee for the implementation of the construction principles of the Seventh 5-Year Plan period and realizing the construction arrangement of the plan. Planning and carrying out economic reform and construction in combination in the light of the whole situation of our socialist modernization is a fundamental guiding thought for the Seventh 5-Year Plan.

#### CPC CIRCULAR ON EMULATING POLITICAL WORK CADRE

OW0510005 Beijing XINHUA Domestic Service in Chinese 0148 GMT 4 May 86

[Excerpts] Beijing, 4 May (XINHUA) -- The CPC Central Committee's Propaganda Department issued a circular on 28 April on learning from political work cadre Xiong Yuanqi. It called on party and government organizations at all levels and the industrial, transport, finance, trade, agricultural, and educational fronts to take Xiong Yuanqi as an example in carrying out ideological and political work, to carry forward the spirit of "self-confidence, self-strengthening, and self-respect," and to create a continuous new situation in ideological and political work.

The circular said: The late Comrade Xiong Yuanqi was head of the Propaganda Department of the party committee of the Jiangnan Petroleum Administrative Bureau's meters and instruments plant. During his short life span, he set a brilliant example as an outstanding communist and model political work cadre on our ideological and political front. His advanced deeds are so impressive that they inspire people to advance boldly. He proposed the "political work cadres should have the spirit of "self-confidence, self-strengthening, and self-respect." His proposal should become a motto for all our political work cadres.

The circular pointed out: "Self-confidence, self-strengthening, and self-respect" embody the precious spirit of our political work cadres of the 1980's in their vigorous, selfless efforts to build a socialism with Chinese characteristics.

For our political work cadres, who are like engineers of men's souls, self-confidence means to firmly believe in Marxism-Leninism and communism: To firmly believe that ideological and political work, which they are engaged in, is a noble and glorious task which is absolutely indispensable for the building of socialist spiritual and material civilization; and not to waver in their belief under any circumstances. Self-strengthening means to do one's work to the best of one's ability in accordance with the guiding principles of ideological and political work in the new period while integrating reforms with economic construction and displaying a determined and pioneering spirit. Self-respect means to strictly act in accordance with party principles, follow a correct work style, match words with deeds, and set an example for others.

The circular said: One of the important tasks we must fulfill to improve the party's ideological and political work is to improve the political quality and professional skills of political work cadres in order to meet the needs of reform and the building of the two civilizations. Party and government organizations at all levels, and all comrades engaged in ideological and political work on the industrial, transport, finance, trade, agricultural, educational, and other fronts, should take Xiong Yuanqi as an example, carry forward the spirit of "self-confidence, self-strengthening, and self-respect," study hard, practice what they advocate, strive to raise their political consciousness and professional skills, conscientiously study and explore the characteristics and rules of ideological and political work in the new period, do the work at their respective posts well, and constantly create a new situation in ideological and political work to fulfill the general task and general goal set by the party, advance economic reform, fulfill the Seventh 5-Year Plan, and promote the building of socialist material and spiritual civilization.

#### MOUNTAINOUS AREAS STRIVE TO ELIMINATE POVERTY

HK021406 Beijing RENMIN RIBAO in Chinese 27 Apr 86 p 1

[Dispatch by RENMIN RIBAO reporter Lu Xiaofei and LIAONING RIBAO reporter Guo Xichen: "Peasants in Mountainous Areas in Liaoning's Chaoyang Prefecture Develop Undertakings That Yield Quick Results"]

[Excerpts] The long poverty-stricken mountainous areas in Liaoning's Chaoyang Prefecture have given prominence to developing undertakings that turn out a large volume of commodities and yield quick results in the course of readjusting the production structure, thus stepping up the pace of eradicating poverty. In 1985, the rural social gross output value of the city was 1.79 billion yuan, with a per capita income of 267 yuan among its rural population, up by 52 percent and 81 percent respectively from the previous year. Now, one-third of the 50 townships with the greatest difficulties have initially changed their poverty-stricken situation.

With the readjustment of the production structure, more labor forces may be transferred from primary industry to secondary and tertiary industries. By the end of 1985, the total number of enterprises had risen to more than 54,000. Their gross output value and profits were 1 billion yuan and 200 million yuan, up by 65 percent and 75 percent respectively. Their gross output value accounted for 33 percent of the industrial output value of the city. One hundred and seventy-seven enterprises had an output value exceeding half a million yuan. Today, 250,000 peasants are employed in enterprises of various categories, accounting for 18 percent of the total social labor forces in the rural areas.

## Commentator's Article

HK021446 Beijing RENMIN RIBAO in Chinese 27 Apr 86 p 1

[Commentator's article: "Proceed from the Characteristics of the Mountain Areas"]

[Text] The mountain areas have their own characteristics. We should value, and proceed from these characteristics in developing the economy of the mountain areas. It is precisely based on the characteristics of the mountain areas in changing the production structure that Liaoning's Chaoyan Prefecture has rapidly built a number of take-off undertakings with local characteristics, and taken a powerful step on the path of eliminating poverty and becoming well off. The practice of Chaoyang demonstrates that the spirit and style of being bold in seeking truth from facts and blazing new trails are needed in economic reform and construction.

True, poor natural conditions had a great bearing on the long-term poverty of Chaoyang Prefecture in the past, but another important reason to account for it was the neglect of the characteristics of the mountain areas and getting into the dead alley of "taking grain as the key link." Under the same natural conditions, the planting of grain crops is disadvantageous, when the planting of grass and trees or some economic crops is advantageous; and there is a world of difference in the results. When the rich and various natural resources of the mountain areas lie waiting to be exploited and utilized, people had to plant grain crops which "would bring in no harvest 9 out of 10 years." The practice of avoiding the disadvantageous but going in for the disadvantageous could only be asking for trouble! Chaoyang Prefecture has grasped firmly its own characteristics in readjusting its production structure, and explicitly proposed the principle of "taking economic crops as the key" and "developing fruit-growing and forestry, animal husbandry, and enterprises in towns and townships." Hence, the emergence of a new situation. This fully demonstrates the importance of "suiting measures to local conditions." In recent years, a large number of mountain areas like Chaoyang have persisted in the principle of proceeding from the characteristics of the mountain areas in readjusting their production structure; as a result, they have all made some breakthrough in their economic development.

For some time now, the leading comrade of the central authorities has on several occasions stressed the importance of grain production in order to overcome the deviation of neglecting grain production in some regions; the press has also increased propaganda in this field. All this is very correct and necessary in stabilizing the general situation in grain production and the correct readjustment of the production structure. However, some comrades have wavered on the principle of suiting measures to local conditions in readjusting the production structure, and they have refrained from making the necessary readjustment as the actual conditions require. Some places are located in high mountains or steep slopes, which are suitable for forestry but never grain production. In some cases, even when the land was already returned to forestry in the readjustment of production structure, it is once again returned to grain production, back to the old path leading to a dead alley, simply because the leadership there is afraid of being criticized for "neglecting grain production."

Everything has its own characteristics. Without characteristics the world would be deprived of variation.



We should do our best to avoid the neglect of the basic Marxist principle of proceeding from the actual conditions, or giving up the practice of suiting the local characteristics in economic work, simply because some leading members have made some remarks, and the press has carried some articles on a certain issue, or the issue in question has met with some opposition. Likewise, the rigid copying of an instruction, a call, or a pattern that will inevitably injure economic development and dampen the enthusiasm of the masses should also be avoided.

#### PEOPLE'S ARMED FORCES DEPARTMENTS REORGANIZED

OW030627 Beijing XINHUA Domestic Service in Chinese 0840 GMT 2 May 86

[By reporter Gai Yumin]

[Text] Beijing, 2 May (XINHUA) -- The transfer of command of county (city) People's Armed Forces departments to local governments is proceeding smoothly and gradually in the country.

Since the party Central Committee, the State Council, and the Central Military Commission issued a circular on questions concerning the transfer of command of county (city) People's Armed Forces departments to local governments, all provinces, autonomous regions, and municipalities have generally held meetings to study ways to implement the guidelines of the circular and have successively set up leading groups to transfer command of People's Armed Forces departments. The leading groups are composed of principal, responsible comrades of local governments and Army organizations. All prefectures, cities, and counties have also set up related agencies to speed up the transfer. In order to actively and properly transfer command of People's Armed Forces departments, the Army and local leading comrades, cooperating closely with each other, have first conducted experiments on the transfer of command in some People's Armed Forces departments to accumulate experience. Now, more than 60 People's Armed Forces departments selected for the experiment have smoothly completed their transfer of command, and the experiment has laid a good foundation for effecting the transfer of command among all other People's Armed Forces departments throughout the country.

All local party and government organizations warmly welcome the reorganization of the People's Armed Forces departments. They have, on their own accord, exchanged information and views with the Army and have actively created the necessary conditions for the transfer of command of the People's Armed Forces departments. Party and government leaders at all levels in Heilongjiang, Liaoning, Shaanxi, Gansu, and Ningxia have warmly held discussions with cadres of People's Armed Forces departments, ascertained their thinking, and helped them overcome difficulties. Some leading cadres in Shanxi and Hunan have constantly worked at People's Armed Forces departments to facilitate prompt solution of problems concerning the transfer of command. Since some 400 cadres of People's Armed Forces departments in Jiangxi Province turned over their office to local governments, the province has given priority to solving their problems, such as housing, dependent jobs, and children's education; it has thus freed them from worries. Shandong and Henan Provinces have created good conditions for the cadres of People's Armed Forces departments now under local governments and properly settled surplus cadres; they have thus promoted a smooth transfer of command of People's Armed Forces departments.

All PLA military regions and military districts, regarding the reorganization of People's Armed Forces departments as an important task, have seriously made all the necessary preparations for the transfer of command.

Leading cadres at all levels have led work groups to People's Armed Forces departments, ascertained the cadres' ideological situation, and done purposeful ideological work. They have carried out education in "loving the People's Armed Forces and one's station" and have encouraged cadres of People's Armed Forces departments to consider the interests of the whole, take root in a locality, and do good People's Armed Forces work there. The leading organs at all levels have evaluated the cadres, made organizational readjustment, and staffed the People's Armed Forces departments according to the new organization to ensure that the People's Armed Forces departments transferred to local governments are manned by cadres who are good ideologically, good in work style, and know their jobs. After the readjustment, the People's Armed Forces cadre ranks will be composed of a number of "veteran armed force cadres" as the backbone as well as a large number of young cadres who have completed training at military schools. The readjustment will improve the work of People's Armed Forces departments.

LIAOWANG CITES ZHU HOUZE ON LITERATURE, ART

HK050955 Beijing XINHUA Hong Kong Service in Chinese 0634 GMT 2 May 86

[Text] Hong Kong, 2 May (XINHUA) -- LIAOWANG OVERSEAS EDITION No 18, which will be published soon, reports that since his appointment as head of the CPC Central Committee Propaganda Department 6 months ago, Zhu Houze has made extensive contacts and had frank exchanges of views with people in literature and art circles. He is concerned about their difficulties in creative work. More and more people in literature and art circles have made him their intimate friend.

Zhu Houze, now 55, was previously first secretary of the Guizhou Provincial CPC Committee. He was appointed head of the CPC Central Committee Propaganda Department in August 1985.

People in literature and art circles asked him about the relationship between freedom of creation and adherence to the four basic principles and about important and sensitive questions such as whether it is necessary to oppose bourgeois liberalization in literature and art circles. Believing that this indicated their trust in him, he said: Only in a situation like today's can we have a frank exchange of views. Your straightforward remarks indicate your trust in me. We are seeking mutual understanding and mutual trust. Mutual understanding is a prerequisite for mutual trust.

On the question of opposing bourgeois liberalization, Zhu Houze's view was this: When our country is behind the most developed countries in the world in many aspects, it is inevitable for people in our country to cast doubts on socialism and communism and to ask whether we can solve our social, economic, and political problems better than capitalist countries solve theirs. Owing to the fact that some of our problems have not undergone the final test of practice, as a strategic policy, the slogan of holding firm to the four basic principles and opposing bourgeois liberalization must not be given up. However, adhering to the four basic principles is a political concept, a political aim, and a political road to be chosen. It does not hinder freedom of creation or independent explorations.

This new propaganda head, who endured endless sufferings during the struggle against rightists and the Great Cultural Revolution, said that the methods of exerting high pressure and making abrupt turns should now be discouraged and that study and explorations can be made on questions concerning policies. He suggested: Theoretical work should be strengthened and people should be taught to understand the inner aspect of things.

It is necessary to strengthen literature and art work so that it exerts an imperceptible influence on people's minds. We should use these two factors to enrich socialist culture and carry forward China's material and spiritual civilizations. While promoting the overall reform of the economic structure, we should enhance our national spirit to anew height, enable people throughout society to have a better mental outlook, and encourage them to have lofty ideals and values as well as zeal and drive for practical work.

Zhu Houze said: Since our country forsook the "leftist" error of "taking class struggle as the key link" and unswervingly shifted the focus of the work to socialist modernization, we have simultaneously grasped the building of material and spiritual civilizations. Not only is economic life full of vitality, but the situation in theoretical and academic circles and in literature and art is also more vigorous than ever before. Taken as a whole, our literature and art creation is much better now than in any previous period. Everyone feels much happier now. Writers and artists have much better chance to extensively develop, and to give full scope to, their talents. This is a very favorable condition for the prosperity and the blazing of new trails in literature and art. However, under such an environment there are also partial or little waves and there are still some aftershocks. This state of affairs has emerged partly because of the normal literature and art criticisms and academic discussions within the literature and art, as well as academic circles. Naturally, normal discussions of this kind may also stir old recollections. It is also partly due to the debates on the nature and assessment of certain literature and art works or to the inaccuracy and inappropriateness of the mode of debate, choice of words, or reasoning. The literature and art circles are very sensitive about these things and some people are still easily upset.

In his view, it is quite natural for them to be sensitive. They would not have become writers and artists had they not been sensitive. As for the fact that some people are easily upset, this can hardly be regarded as a strong point. It is no good if someone should form this or that conjecture at the sound of a wind, worrying all the time about the "changeable situation." Viewed from another angle, however, this also shows that the "repercussions" are still there and that people still have a "lingering fear." For this reason, he said it is quite necessary for those in the party and government departments in charge of cultural, art, and academic work to come into more contact and to exchange more views with people of literature and art, and academic circles in order to promote mutual understanding and trust.

On the relationship between literature and art on the one hand and politics on the other, he said: Literature and art creation is most distinctively characterized by personal character and, therefore, it is absolutely impossible to engage in literature and art production according to an order form or a pattern. For this reason, the steadfastness in implementing party principles and line should be realized through a high degree of creativity on the part of writers and artists. The unity of political objectives precisely finds expression in the diversification of literature and art. A strong sense of adhering to principles in work should be reflected through flexibility. A serious theme can easily be accepted by the masses only when it is readable and readily understandable.



He pointed out: The various ideological sectors play an extremely big role in influencing the masses. However, they give scope to his role through different features and at different levels. Theory convinces people through concepts and, like a scalpel, directly gets to the essence of a matter through numerous and complicated phenomena, thus achieving an enduring enlightening effect. Literature and art, however, affect people through images. They exert a gradual, uplifting influence on people, enlightening them and containing education in recreation. If we adhere to the socialist road, objective, and orientation and dialectically integrate them with various principles for developing academic and literature and art undertakings, such as "letting a hundred flowers blossom and letting a hundred schools of thought contend" and "making the past serve the present and foreign things serve China and weeding through the old to bring forth the new," the developmental road of literature and art is very wide.

#### PROPAGANDA CHIEF STRESSES LITERARY VALUES

OWO20236 Beijing XINHUA Domestic Service in Chinese 1526 GMT 1 May 86

[By reporter Guo Lingchun]

[Excerpts] Beijing, 1 May (XINHUA) -- A relaxed, harmonious atmosphere has gradually been spreading through the literary and art circles. This was verified at a national forum on the editing work of some literary periodicals. At the forum, which ended today, this reporter noticed an inspiring tendency: Even in a relatively relaxed environment, literary and art workers are still very strict with themselves. Noticing this, Zhu Houze, director of the CPC Central Committee's Propaganda Department, urged everyone to value the good situation which has not been easily brought about.

Gathered at the forum, responsible persons of 86 literary periodicals tried to explore an important issue for literature in the new period: The obligations, status, and role of editors.

Li Ziyun, deputy chief editor of SHANGHAI WENXUE [SHANGHAI LITERATURE] reiterated this viewpoint at the forum: In addition to promoting knowledge, education, and esthetic appreciation and doing propaganda work, literature should also provide recreation. She held that as the tempo of daily life quickens, there is no reason why recreational literary works should not be allowed. However, vulgar literary works must be banned. Should vulgar works occur, we should show concern and help lead them onto a healthy path.

On the evening of 29 April Zhu Houze visited the participants and talked with them frankly and sincerely. He urged literary and art workers and periodical editors to value the atmosphere of unity, harmony, mutual trust, and mutual understanding that has taken shape in the literary and art circles.

The good political situation has created good conditions for the development and creation of literary and art works. The participants' feelings are identical with Zhu Houze's expectations: Consolidate and develop the good situation so that literature and art will not fall behind the advancing times.

#### DISSIDENT PUNISHED FOR PUBLISHING MEMOIRS

HK020938 Hong Kong AFP in English 0926 GMT 2 May 86

[Text] Beijing, May 2 (AFP) -- One of the main activists in China's "Beijing Spring" dissident movement has been isolated from the outside world in a windowless cell as punishment for the publication of his memoirs in the West, a reliable Chinese source said here on Friday.

According to the source, 42-year-old Xu Wenli, sentenced to 15 years in jail in 1981 for "counter-revolutionary activities" has been kept alone in a windowless cell to which the sole entrance is a trapdoor in the ceiling since being moved there late last year.

He is denied visits -- even from members of his family -- and access to newspapers or a radio, his diet consists of mainly of water and pancakes made of maize, and he is allowed neither to receive nor send mail.

Mr. Xu's new prison regime in a southern Beijing jail is punishment for the publication in the West in October 1985 -- and subsequently in Chinese dissident organs published abroad -- of 262 pages of handwritten memoirs in which he describes his interrogation and trial, the source said.

Asked to comment, a spokesman for the Chinese Justice Ministry said he did not know of the publication of the memoirs abroad and said: "Chinese prison regulations prohibit the kind of treatment you describe."

He added: "We always treat prisoners with humanity."

Mr. Xu is one of the best known of the activists in the Beijing Spring movement for greater democracy, which bloomed in 1979 and 1980 before being crushed.

Mr. Xu, an electrician, became editor of the now banned publication APRIL 5TH FORUM, which took its name from April 5, 1976 riots in Beijing's Tiananmen Square that erupted in protest against the radical regime of the "gang of four," which preceded the rule of current leader Deng Xiaoping.

In his memoirs Mr. Xu said he had been given a heavy sentence after he had refused to acknowledge his "errors" and after he demanded that the judge trying him step down because he had prejudged Mr. Xu's guilt.

Mr. Xu was one of the more moderate Beijing spring activists, never having rejected the legitimacy of the rule of the Chinese Communist Party.

In his memoirs, recently published by the London-based human rights organisation Amnesty International, Mr. Xu did not complain of rough treatment, but said that he had had to undergo 200 interrogation sessions and that in prison he could hear "screams of people being struck or electrically shocked."

The memoirs were smuggled out of prison thanks to "someone who is with the Public Security Bureau in China (who) is very sympathetic with us and helped us," Mr. Xu wrote.

LIANG BUTING ATTENDS SHANDONG MAY DAY CELEBRATION

SK050035 Jinan Shandong Provincial Service in Mandarin 2300 GMT 1 May 86

[Report on celebrations held at Daminghu and Baotuquan Parks on 1 May participated in by the masses from various circles of Jinan City to mark the 100th anniversary of May Day -- recorded]

[Excerpts] [First announcer] Fellow audience: On this festive occasion, Daminghu Park, with rippling water on the lake and all kinds of trees budding, overflowed with a scene of enchanting spring.

At 0900 this morning, arriving at the park to join the celebration with the masses on the occasion were a number of model workers and combat heroes, and leading comrades from the provincial and Jinan City organs and the Jinan Military Region. Those from the provincial CPC Committee, the provincial Advisory Commission, the provincial People's Government, and the provincial CPPCC Committee, were Liang Buting, Jiang Chunyun, Yang Xingfu, Yang Yanyin, (Cao Pengzeng), Wang Jinshan, Wang Chengwang, Wang Runzhai, Liu Zhongqian, (Wan Feng), Ma Shizhong, Song Yimin, Zhu Qimin, Li Zichao, Zhou Xingfu, and Xu Meisheng.

Attending the park celebration were veteran comrades from the provincial level organs, including Gao Keting, Yang Jieren, Li Sijing, Tian Haishan, Wang Liang, and Wang Xing; Liang Deshan, president of the provincial Higher People's Court; Li Huimin, chief procurator of the provincial People's Procuratorate; He Guoqiang, alternate member of the CPC Central Committee, who was currently in Jinan City; Zhao Lin, member of the Central Advisory Commission; Wang Zhongyin, member of the Central Discipline Inspection Commission; (Zhang Rushan), member of the National CPPCC Committee; and leading comrades from the Jinan Military Region and the air force units under the region, including Chi Haotian, Xu Chunyang, and Zhang Zhenxian.

[Second announcer] Fellow audience: Baotuquan Park in Jinan City, the capital of the province, was full of warm festive atmosphere and decorated with many red lanterns and colored flags. Following a drizzle, the park appeared extremely fresh. Attending the park celebration were leading comrades from the provincial CPC Committee, the provincial Discipline Inspection Commission, the provincial People's Congress, and the provincial People's Government, including Lu Maozeng, Zhou Zhenxing, Feng Lizu, Li Farong, Li Zhen, Xiao Han, Xu Leijian, Gao Fengwu, Zhang Zhusheng, Xu Jianchun, Lin Ping, Lu Hong, and Ma Changgui; leading comrades from the Jinan Military Region, including Li Jiulong, and Gu Hui; and leading comrades from Jinan city, including Zhai Yongbo and Li Yuanrong.

SHANGHAI'S RUI XINGWEN ATTENDS MAY DAY SONGFEST

OW021204 Shanghai City Service in Mandarin 0100 GMT 2 May 86

[Excerpt] On the morning of 2 May, some 3,000 workers from all trades in Shanghai gathered at the Shanghai Acrobatic Hall to sing in celebration of the International "1 May" Labor Day, a glorious day for the working class throughout the world. Leading comrades of Shanghai's party and government organs Rui Xingwen, Jiang Zemin, Huang Ju, Wu Bangguo, Chen Tiedi, Zeng Qinghong, Li Zhaoji, Liu Zhenyuan, and Xie Lijuan attended today's songfest.



Early in the morning, Comrades Rui Xingwen and Jiang Zemin visited factories, the long-distance telecommunications bureau, and other units to extend their regards to workers who were working on the holiday. Then they came to the hall especially to attend the concert.

On behalf of the municipal CPC Committee and the municipal People's Government, Comrade Rui Xingwen extended warm greetings and sincere regards to Shanghai's workers and their families. He said: [begin recording] I wish that together with the working class throughout China, Shanghai Municipality workers will follow the CPC leadership, and make fresh contributions to building socialism with Chinese characteristics, to the four modernizations drive, and to the development of the spiritual and material civilization. I also wish that Shanghai Municipality's working class will strive to contribute their share to transforming and reinvigorating Shanghai, and building Shanghai Municipality into an open and multi-purpose modern socialist city with a reasonable production structure, advanced science and technology, and highly-developed civilization. [applause] [end recording]

#### SHANGHAI CPPCC SECRETARY GENERAL RESIGNS

OW042355 Shanghai JIEFANG RIBAO in Chinese 30 Apr 86 p 2

[Text] The Fifth Session of the Sixth Shanghai Municipal CPPCC Committee has approved a request by Comrade Fan Zhengfu to resign from the position of secretary general of the Shanghai Municipal CPPCC Committee in the interest of making the leading group younger. The meeting maintained that during his tenure in the municipal CPPCC Committee, Comrade Fan Zhengfu assisted the chairman and vice chairmen in resolutely implementing the party's principles and policies in united front work; carried forward the CPPCC's fine traditions and work style; closely cooperated with personages outside the party; did careful and meticulous work; actively organized the municipal CPPCC Committee's various activities; and made positive contributions in the reform, the two civilizations, and opening up new vistas for political consultative work. Therefore, the meeting extended to him heartfelt thanks and esteem. It hoped that he will continue to play a role in future CPPCC work and make contributions in revitalizing Shanghai and reunifying the motherland.

#### APPOINTMENTS, DISMISSALS OF ZHEJIANG OFFICIALS

OW051441 Hangzhou ZHEJIANG RIBAO in Chinese 27 Apr 86 p 1

[Text] The 19th meeting of the Standing Committee of the 6th Zhejiang Provincial People's Congress decided on 26 April to appoint the following officials:

Huang Rongbo [7806 2837 3134] as director of the Zhejiang Provincial State Security Department;

Jin Linjun [6855 7207 0193] as chairman of the Zhejiang Provincial Physical Culture and Sports Commission; and

Chen Haimei [7115 3189 3780] as director of the Zhejiang Provincial Environmental Protection Bureau.

The meeting also decided to dismiss the following officials:

Yang Baozhan from the post of director of the Zhejiang Provincial Physical Culture and Sports Commission; and

Li Chunfeng from the post of director of the Zhejiang Provincial Environmental Protection Bureau.

FURTHER REPORTS ON TAIWAN PILOT'S DEFECTION TO PRC

## Pilot Arrives in Beijing

OW060541 Beijing XINHUA in English 0531 GMT 6 May 86

[Text] Beijing, May 6 (XINHUA) -- The returned Taiwan pilot Wang Xijue arrived in Beijing here this morning. The 56-year-old pilot landed a Boeing 747 cargo plane of Taiwan's China Airlines at Guangzhou last Saturday, asking for permission to settle down on the mainland. When the pilot, still in his short-sleeved China Airlines uniform, stepped down from the cockpit of the Boeing 747 which he flew from Guangzhou, a girl presented him with a bouquet of flowers. Hu Yizhou, director general of Civil Aviation Administration of China (CAAC), warmly shook his hand and welcomed him to contribute to China's civil aviation and modernization program. Wang's father, Wang Boxi, 82, came to Beijing from his hometown in Sichuan Province, southwest China, to meet his son. On the day the cargo jet piloted by Wang landed in Guangzhou, the CAAC asked China Airlines to send a representative here to discuss how to deal with the plane, its cargo and the other two crew members.

## Reunites With Father

HK060821 Hong Kong AFP in English 0757 GMT 6 May 86

[By Patrick Lescot]

[Excerpts] Beijing, May 6 (AFP) -- A Taiwan civilian pilot that defected to China in a Boeing 747 freighter Saturday flew his plane into Beijing from Canton Tuesday for the first reunion with his father in nearly 40 years. Captain Wang Xijue, 56, smiled and raised his arms in a gesture of victory as he emerged at Beijing airport from his jumbo jet, which belongs to the Taiwan flag carrier China Airlines (CAL). His father, Wang Boxi, 82, had come from his native province Sichuan in China's southwest, to meet him on the tarmac. Mr Wang, leaning on a cane, was flanked by two other sons, one a pharmacist and the other a dentist. He was the first Taiwan civilian pilot to defect to China.

The brief, emotional reunion was the Wangs' first since 1949 when Capt Wang, then a pilot in the Chinese Nationalist Forces, went to Taiwan with the defeated remnants of Chiang Kai-shek's army as the communists took over. Capt Wang was also welcomed on arrival by Hu Yizhou, director general of the Civil Aviation Administration of China (CAAC). Capt. Wang said he was "very happy" to be in China.

Mr Hu said China would respect the wishes of the two other aircrew who had been on Capt Wang's plane -- co-pilot Dong Guangxin and mechanic Qiu Mingzhi -- who have said they want to return to Taiwan and who were not on board the plane in Beijing.

Capt Wang said he would like to see the early resumption of air links between Taiwan and China -- "which I have already begun," he remarked, laughing -- as well as telephone and postal communications.

## Red Cross Offers to Mediate

OW060259 Taipei CNA in English 0249 GMT 6 May 86

[Text] Taipei, May 5 (CNA) -- The Red Cross Society of China said here Monday that if required, it will ask Red Cross International to help negotiate with Chinese Communist authorities on the return of a China Airlines Boeing 747 cargo jetliner and its crew members that were diverted to an airport on the China mainland last weekend. Ku Cheng-han, secretary general of the society, said so far it has not received any request from family members of the stranded CAL crew members.

One of the principal missions of Red Cross is assisting detained civilians around the world, he said, pledging that his organization will provide all necessary assistance to family members of the stranded CAL crew members if required. Ku said he believes Red Cross International will do its best to help negotiate on the return of the plane and its crew members once it receives a formal request.

CAL spokesman Lin Liang-chih said Monday evening that his company will seek all possible means to help the stranded CAL crew members return home as soon as possible.

## CAL Probing 'Diversion' Incident

OW051421 Taipei CNA in English 1415 GMT 5 May 86

[Text] Taipei, May 5 (CNA) -- China Airlines [CAL] has set up a task force to look into the possible causes that led to the diversion of a CAL cargo jetliner to the China mainland last weekend, a spokesman for CAL said Monday. Lin Liang-chih told reporters that the task force, composed of three ranking CAL officials, left Taipei Monday morning for Bangkok to investigate the possible causes of the incident. An informed source disclosed that one of the three officials leaving for Bangkok Monday was a CAL vice president. The principal purpose of the task force's visit to Bangkok is to understand the security measures at the Bangkok Airport cargo terminal, he said.

Lin also indicated that his company has entrusted the Hong Kong-based Cathay Pacific Airways to negotiate with the Peiping authorities on the return of the diverted plane and its crew members. CAL will not take any further action until it has received a formal reply from Cathay Pacific Airways, he said. According to foreign wire service reports, Peiping has refused to discuss the return of CAL's plane and its crew members through a third party.

## PRC Rejects Hong Kong Mediation

HK060227 Hong Kong HSIN WAN PAO in Chinese 5 May 86 p 1

["Special dispatch" from Guangzhou by reporter Szutu Yuan: "Director and Party Secretary of the Guangzhou Civil Aviation Administration Interviewed on Taiwan Plane Landing in Guangzhou"]

[Text] Guangzhou, 5 May -- In an interview with Hong Kong reporters this morning, Yu Yanen, director of the Guangzhou Civil Aviation Administration, and Bao Peide, secretary of the party committee, said that the landing of a China Airlines [CAL] cargo plane at Guangzhou is a problem concerning the internal affairs of China and that there is no need for intervention by any other party. They hope that the Taiwan authorities will send people directly to the mainland to discuss the matter.



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Yu Yanen reiterated that China will uphold the stand and spirit made known earlier in its approach to this matter. As the civil aviation enterprise stationed at Guangzhou, it [the Guangzhou Civil Aviation Administration] has so far received no answer from the Taiwan authorities.

They were asked about their views on the Taiwan authorities' intention to appoint Cathay Pacific to negotiate the matter in accordance with international aviation regulations. Yu Yanen said that the business of the two sides of the straits is the country's business. This problem is a domestic issue for China. A party so far away is not likely to be involved. Nor is intervention from any other party wanted. The business between both sides should be solved through mutual discussions between themselves. He also said that up to now, no notification has been received from the Taiwan authorities about appointing a third party to handle the matter.

In addition, they [the Guangzhou Civil Aviation Administration] said: "This is the business of China Airlines. They should send people over to claim the airplane and its personnel and cargo. Whether this matter can be solved quickly depends on China Airlines' attitude." They hold the view that with Taiwan's airplane and its personnel now here, how can the Taiwan authorities; adhering to the past policy of the "three nos," do justice to the two people that want to go home?

#### Both Sides of the Straits Belong to China's Territory: No Need To Act According to International Regulations

Yu Yanen said that the 747 piloted by Wang Hsi-chueh and its cargo have now been properly taken care of. There are no mechanical problems with the plane. As people in the same trade, they went to see Wang Hsi-chueh, Tung Kuang-hsing, and Chu Ming-chih. Of the three, Tung Kuang-hsing and Chu Ming-chih, who have asked to return to Taiwan, are in very good spirits and are enjoying unusually good health. Concerning their request to go back to Taiwan, this matter is now being taken up. They did not come to the mainland by fulfilling the normal visa procedures. Because of special circumstances, it is still necessary to wait for the Taiwan authorities to send people over to negotiate the matter.

Setting apart the approach to the current incident from previous practice, Yu Yanen said the following two aspects: First, according to the usual practice of various countries, military and civilian planes are treated differently. Nothing is released about a military plane in certain respects. Everything is revealed when a civilian plane is involved. Second, in line with the common wish of the people on both sides of the Straits, the developing situation has changed increasingly in a favorable direction. A change in approach is compatible with the people's wishes.

In addition, in answer to a reporter's question, another official of the Civil Aviation Administration explained what rules should be followed in solving the problem. He said that international aviation regulations apply to relations between countries. Both the China mainland and Taiwan are parts of China's territory, not two different countries. International regulations should not be applied in seeking a solution.

He said that China and South Korea have no diplomatic relations, but people were sent over to settle a similar incident, because China happened to be the owner of the plane involved then. Thus, as the owner of the plane involved in the present incident, CAL should expediently send people over to the mainland to negotiate.

## PRC May Detain Crew Members

HK060602 Hong Kong SOUTH CHINA MORNING POST in English 6 May 86 p 1

[By Albert Vhan, in Guangzhou]

[Text] The two crew members of Taiwan's Boeing 747 cargo plane who want to go home may not be allowed to leave just yet, Chinese officials said yesterday. This has given rise to speculation that Beijing may hold the crewmen as a trump card to press Taiwan into agreeing to direct negotiations for their release and for the return of the plane and its cargo. Senior Guangdong aviation officials have already rejected Taiwan's request for Cathay Pacific Airways to negotiate on its behalf.

In an impromptu press conference yesterday morning in Guangzhou, the director of the Civil Aviation Administration of China (CAAC), Guangzhou branch, Mr Yu Yanen, said the whole issue was an internal Chinese affair and no third party should be involved. He also rejected the idea of using international aviation rules to resolve the case.

The SCM [SOUTH CHINA MORNING] POST asked Mr Yu if the two crewmen could leave the mainland any time they wanted to, since China had said it fully respected their wishes and that they were free to follow -- or not -- their pilot, Commander Wang Xijue (known in Taiwan as Wang Hsi-chueh), who has defected.

Both Mr Yu and a top Guangdong official, Mr Chen Kaizhi, who held a separate press conference in the afternoon, refused to say whether China would allow the two crewmen to leave the mainland. The officials would only repeat a previous statement that China had invited Taiwan's China Air Lines to go to Beijing to sort out arrangements for the two crewmen, the jumbo jet and the goods. Mr Yu said: "There are limits to freedom. Even Hong Kong Chinese need an entry permit to come to China and for the two Taiwanese to leave some procedures need to be taken." He also hinted that Taiwan officials should come to China to arrange for the "procedures."

But both officials stopped short of admitting that they were holding the two Taiwanese crewmen to force Taipei to open a dialogue with Beijing. Mr Yu said: "If Taipei remains stubborn with its no contact policy, they are not being fair to the two crewmen."

Another senior CAAC official, Mr Liang Jingzhao, added: "When our plane was hijacked to South Korea, we sent officials to Seoul to solve the problem. Why shouldn't Taiwan do the same? After all it was their plane that landed in our territory and they should come and take it back." After being told it was a crime in Taiwan to make direct contact with the communist mainland, Mr Yu said: "Laws could be changed."

Mr Chen, vice secretary-general of the Guangdong provincial party committee, disclosed that the two crewmen, Mr Dong Guangxing (Tung Kuang-hsing) and Mr Qiu Mingzhi (Chiu Ming-chih), had already had "several options" in mind about their fate. One of the options is to go to a third place other than Taiwan if the Taiwanese Government does not take them back.

Mr Dong's wife, who has a heart ailment, is now in California. According to Mr Chen, China Air lines' officials have told the wife that they are trying hard to arrange for her husband's return. Mr Chen confirmed that Mr Dong and Mr Qiu had asked for total secrecy about their whereabouts. "It is our sincere hope that they will come out meet the press and take a good look at the mainland but they refused and we respect their decision," said Mr Chen.

As for Mr Wang, it was disclosed that the defector has high blood pressure which is one of the reasons why he could not leave Guangzhou immediately.

Mr Chen also said doctors were assigned to look after the Taiwanese on a daily basis. Another reason why Mr Wang is stranded here is that he is waiting for new suits. "They only brought along a few things and we have arranged for tailors to make clothes for them and they will not be ready for a few days," said Mr Chen.

#### Commentary Views Incident

HK060511 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1310 GMT 5 May 86

[Commentary by Tian Ye: "The 'CAL' Case Should Be Handled Soberly"]

[Text] Hong Kong 5 May (ZHONGGUO TONGXUN SHE) ← Commander Wang Hsi-chueh, former China Airlines (CAL) pilot, landed his CAL cargo plane in Guangzhou because he was so anxious to return to his home. After that, the mainland's CAAC immediately sent an appropriately and sincerely worded telegram, inviting the CAL to send people to Beijing as soon as possible to discuss the problem of handling the matters concerned.

Judging from the present situation, we know that the CPC authorities do not intend to treat the "CAL case" as a political event. The telegram was sent by the CAAC, and the consignee was the unit which owns the cargo plane → the privately owned CAL in Taiwan. Although the CAAC is an institution of the Chinese Government, it deals with matters concerning civil airplanes. It is natural for the CAAC to invite the other party to discuss the matter of repatriating the plane and persons concerned.

However, it seems the Taiwan side has not been sober enough in handling this matter. Some papers in Taiwan said that the CAL cargo plane landing in Guangzhou meant a "recantation." Some other papers said that the cargo plane was "forced to land by the Air Force of the CPC." The authorities concerned sang the same old tune of "refusing to contact the CPC." Why bother their heads about this matter?

Up to now, the CPC authorities have not treated Wang as a "hero who crossed over." On 4 May, when answering questions raised by reporters, Wang Hsi-chueh said: "When I was in Taiwan, I missed the mainland, my compatriots, and relatives desperately. Sometimes, I simply got mad. Returning to the mainland is my long-cherished desire. I have now attained it." As a person directly involved in the case, Wang Hsi-chueh told people the motives behind the "CAL case." There is no reason for either side to treat this matter as a political event.

The argument that "the plane was forced to land by the CPC Air Force" is not tenable either. On the day the incident happened, Baiyun Airport in Guangzhou was informed by Hong Kong's Kai Tak Airport that a CAL cargo plane intended to land at Baiyun Airport, and that it was asking for permission to land. The mainland learned about the matter only after receiving this notice, and allowed the plane to land. Where did the "forced landing" come from?

Since the incident has happened, we hope that both sides will hold talks to handle it properly, and that they will avoid making it more complicated. It stands to reason that people long for their homes. This was Wang Hsi-chueh's motive in diverting his plane to the mainland. We may temporarily put aside the rights and wrongs of the matter.



The plane has landed on the mainland, and two other people in the plane have expressed their desire to return to Taiwan. Under these circumstances, the CPC has considered the matter as it stands, and asked the CAL to send people to discuss the matter. There is no cause for criticizing the CPC. What is the use of the Taiwan authorities singing the same old tune of "refusing to contact the CPC?" It is an unnecessary move for Taiwan to ask a third party to handle the matter. In addition, the mainland and Taiwan are Chinese territory. It is inappropriate to handle their own affairs according to international practices.

At yesterday's press conference, Chen Kaizhi, deputy secretary general of the Guangdong Provincial CPC Committee said: The Hong Kong office of the CAAC will actively contact the CAL to discuss the matter. The departments concerned in Taiwan should adopt a sober attitude and make a positive response.

YU KUO-HUA MEETS SAUDI FINANCE MINISTER 2 MAY

OW021025 Taipei CNA in English 0952 GMT 2 May 86

[Text] Taipei, May 2 (CNA) -- Premier Yu Kuo-hua met with Shaykh Muhammad Aba al-Khayl, Saudi Arabian minister of finance and national economy, Friday at the Grand Hotel in downtown Taipei. Premier Yu extended warm welcome to the Saudi minister. They then exchanged views on the promotion of cooperation between the two countries, particularly in economic and financial fields. Yu said that relations between the Republic of China and Saudi Arabia have been close and cordial. He expressed the hope that this traditional ties of friendship will be further strengthened through frequent exchange of visits by both Chinese and Saudi officials.

Aba al-Khayl said he has visited Taiwan several times. He has been impressed by economic prosperity and political stability here. The Saudi minister also said that his country is undertaking a fourth five-year economic development plan and welcomes greater ROC [Republic of China] participation in the project. Also present at the meeting were Economics Minister Li Ta-hai, ROC Ambassador to Saudi Arabia Tsai Wei-ping and Saudi Ambassador to ROC As'ad 'Abd al-Aziz al-Zuhayr.

Following the meeting, Premier Yu hosted a luncheon in honor of Aba al-Khayl and his entourage. The Saudi minister arrived in Taipei Wednesday to attend the 9th ROC-Saudi Arabia Economic and Technical Cooperation Conference, which ended this afternoon.

Purchase of Saudi Oil To Increase

OW050427 Taipei CNA in English 0234 GMT 5 May 86

[Text] Taipei, May 4 (CNA) -- The Republic of China [ROC] will increase direct purchases of oil from Saudi Arabia, Minister of Economic Affairs Lee Tai-hai said Sunday. The Saudi Government is satisfied with this plan, Lee said. The ROC authorities are negotiating with their Saudi counterparts on the planned increase of oil purchase, he said, adding, a contract will be signed soon.

The nation increases its direct imports of Saudi oil from the initial 10,000 barrels a day to the present 60,000 barrels a day over the years, the minister said. He noted that the increase in Saudi oil supply during the past two energy crises has helped this nation greatly. Currently, the nation buys another 60,000 barrels daily through foreign oil companies, adding up to a total of 120,000 barrels daily.

It is reported that one of the Middle East oil exporting countries has not lowered the prices it asks this nation to pay, and the government decided to buy from Saudi Arabia which lowered the price to U.S. dollars 12 a barrel.

PART I: WANG MENG DISCUSSES PRC LITERATURE, ART

HK011321 Hong Kong WEN WEI PO in Chinese 1 May 86 p 3

["Special interview" by reporter Liu Men-yi: "Wang Meng on Reform in Literature and Art -- "Part 1"]

[Text] "Revolution is a sacred cause. However, it may also make people impatient, and the result of impatience is usually not being able to effectively reach the scheduled target." Wang Meng, a well-known Chinese writer who is to assume the post of minister of culture, declared today that he would be interviewed by the reporter in the capacity of a writer. Since he has not yet been appointed "minister," all matters concerning that position would be discussed later. He spoke with fervor and assurance, introducing China's current policy on literature and art. He talked about relations between reform and literary creation and between literature and politics, his views on Liu Binyan and Ke Yunlu, and questions about the novel Jin Ping Mei ["The Romance of Ximen Qing"]. Wang Meng joined the CPC at the age of 14 and became a "rightist" at 22, but he has not changed his nature of being a Communist Party member and began his talk discussing revolution. He said that after many setbacks, China is now luckily on the road of healthy development.

## Abandoned Writing Because Jiang Qing Was in Power

Wang Meng began his career as a writer in 1953. In 1955, he published "Long Live Youth," which attracted much attention in the literary circles. Then in 1956, he wrote his "A Young Man From the Organization Department," but soon after that, he was labelled as a "rightist." He was sent to a Beijing suburb to do manual labor for 4 years and then transferred to Xinjiang. He stayed there for 16 years, during which he engaged in manual labor for 8 years. This experience in his life once made him unwilling to do anything related to writing. He said: "When Jiang Qing was in power, I even threw away my pen. I kept no diary for more than 20 years, and every time I finished reading my wife's letters, I burned them..." He was in such great fear that even a single character might breed a crime.

What is estimable is that this bitter experience has not dampened his enthusiasm for writing, but has deepened his understanding of China's destiny. He said: "This experience has deepened my understanding of the difficulties and arduousness of China's development and reform and especially made me more knowledgeable about the peasants. I feel that all great theories, ideas, and aspirations will just be empty talk if they are not linked with the vast land of China and especially with the peasants."

He is convinced that China's literature and art will be developed better and more healthily. He said: "This is not decided by a certain leader, but by the result of reform." He continued: "Reform of the economic structure will inevitably exert an influence on the people's thinking, ideas, and way of life, as well as on the social atmosphere and environment. This social atmosphere and environment is of great importance to writers. If the reform is carried out successfully, as expected, Chinese writers and artists will be able to promote the cause of literature and art under better conditions and in a more unrestricted environment. In other words, if the reform is not carried out smoothly, the Chinese people will encounter great difficulties, and so will Chinese writers."

## There Have Always Been Many "Tendencies" in Literature and Art Circles

When talking about China's current policy on literature and art, he hoped that the reporters would not study China's policy on literature and art merely through materials gathered from the newspapers and leaders' speeches.

Although these materials are very important, they are not the most important. The most important thing is real life (referring to literary life), vivid life. He pointed out that since the third plenary session, the literature and art circles have become animated. On the whole, emancipation of the mind, opening up, blazing new trails, and bringing forth new ideas have been encouraged. Of course, there are also many controversies over differing literary opinions. He said: There have always been many "tendencies" in literature and art circles. Fortunately enough, over the past 6 or 7 years, these tendencies have only been insignificant, rather than serious, and none have been disastrous.

Then he changed his subject to relations between literature and politics in China. He said: "Chinese literature has a strong political and social sense. This was not started by the Communist Party, but has existed since the Confucian period. Confucius attached great importance to the social effects and role of information and the education of poetry. Through folk songs, a statesman might know whether the society is in good order or not; by examining poems, an emperor might know whether the people had lots of complaints about him and whether there were many corrupt officials in the society."

Wang Meng said that this is a long-standing tradition, but has been further developed in recent years. The main reason is that over the past century since the Opium War, China, an ancient closed country with a distinctive civilization, has made its weakness, poverty, ignorance, and backwardness known to the world...It could hardly live on. Chinese society is now in the course of violent changes. The writers have an especially strong social and political sense. Under such conditions, it is impossible for the people to consider the concept of pure literature. The destiny of all literature and writers is inseparable from the political life of their times.

#### Destiny of Writers and Politics

He said: "Just now, when I said 'since the third plenary session, things have developed so and so,' I thought in very few countries would an accomplished writer say things in this way. For example, U.S. writers would not have said, since a certain meeting of the Republican Party we have...and British writers would not have said, since Mrs Thatcher assumed office, our literature creation has so and so. In those countries, literature creation has little to do with political parties. However, in China, when Jiang Qing was in power, I even threw away my pen...The destiny of Chinese writers and literature creation are too closely related to politics. As a matter of fact, Chinese writers had no freedom and there were no new creation or new literary missions until the third plenary session."

He hoped that the current situation of stability and unity can be maintained. Thus, the influence of politics on literature creation would be reduced, because the people will have manifold demands and needs. He said: "Along with the increase in the people's living standards, their level of reading and appreciation of literature will also be increased. Thus, they will have manifold needs for literature, which will provide more opportunities for the development of the literature cause toward diversification."

#### TA KUNG PAO PONDER'S PRC LITERATURE, ART MOOD

HK010558 Hong Kong TA KUNG PAO in English 1 May 86 p 2

["The Past Week" column]

[Text] "Rustle in the Trees"

Speaking at a recent congress of musical workers, the newly-appointed chief of the CPC Propaganda Department, Zhu Zehou, made a point that most certainly carried much weightier implications than can be gathered from the scant reports published outside China.



In his assessment of the prevailing mood in the field of art and literature, Zhu observed that the "lively situation" was not without "gentle rings of ripples".

Comparing the ripples to the aftershocks of an earthquake, Zhu pointed to the fact that there are still those in art and literary circles who remain overly sensitive. "Weak-minded persons still get flustered at the slightest rustle in the trees". "Although this is not exactly a good thing," he said, "the ripples are indications that we have yet to get rid of remnants of grievances."

There have been two cases in different fields recently which seem to confirm Zhu's allusion to "ripples" and "rustling in the trees". Both, unfortunately, reminded many of the "sticks" and "hats" in the ten sad years.

The most recent "rustle" occurred in the field of theoretical research in literature caused by an article by no less than the director of the Institute of Literature under the Chinese Academy of Social Sciences, Liu Zaifu. Concurrently a member of the CPPCC and a probable Chinese candidate for the Nobel Prize in theoretical research, Liu's recent postulations include what might loosely be translated as the dual personality of characters, e.g. that one personality contains both strong points and weaknesses, and other original thinking which has attracted a great deal of interest in Chinese literary and theoretical circles.

Liu believes that in present day China there is a tendency for literary research to detach itself from the economic base and the superstructure, such as politics and the author's world outlook. Instead, according to Liu, the emphasis in theoretical research seems to have been diverted into what he calls the "inner laws" of creative works by which he means their aesthetic qualities and the disciplines governing the different genres. "In a nutshell, the tendency is to return to literature itself."

Liu's analysis brings a new dimension to creative works. For instance, it can be inferred that great writers and, indeed, the characters they create, need not be morally better than the rest of humanity.

But recently, Liu's views have been taken to task by a critic writing in the theoretical journal RED FLAG. Proclaimed this critic: Liu's postulations are quite alien to Marxism and dialectical materialism. This is by means a small question, he lashed out, but one that concerns the "destiny" of Marxism as well as the whole edifice of socialist art and literature in China.

The matter might have rested here if the critic, Chen Yong, was seen to be giving his personal opinion. But there are fears that this may not be the case as Chen is a leading cadre in the policy-research office at the CPC Secretariat.

Be this as it may, there is a consensus that brandishing a big stick is never a good policy. In theoretical matters, especially, progress is never derived from old ideas alone but rather from the impact of new thinking and fair discussions thereof.

#### 'Much Ado About Nothing'

The clampdown on Liu Zaifu calls to mind the tough handling five months ago of a treatise on economics by the pseudonymous Ma Ding published in BEIJING REVIEW on 9 December 1985. But it is of interest that in this case, the author was castigated not because of any fault of his article but because of what foreign press reports said about it. Entitled "Ten Major Changes in China's Study of Economics", the article drew wide attention for its assertion that not all Karl Marx's writings apply to present-day economics.

"Marxist political economy faces different tasks in different historical periods," it says. But in the 20th century, after socialism has changed from a scientific theory to reality, the main task confronting Marxist political economy is no longer to criticize the old capitalist world but to facilitate the more strenuous historical task of building a new socialist world...For these questions, no ready answers can be found in 'Das Kapital.'"

After pointing out that Marx, Engels and Lenin not only critically assimilated classical economics but also affirmed the "rational and valuable elements" of contemporary bourgeois economics, the article also gives a list of contemporary Western economic thinking which it considers "should not be ignored". These included J.M. Keynes' method of macro-analysis and his theory of using fiscal and monetary expansion to activate circulation and consumption, and the analysis made by the neo-laissez-faire school on the market mechanism and the harm done by excessive state interference in economic activities, etc.

As it transpired, Ma Ding's applecart was upset by two foreign newspapers. The first was YOMIURI SHIMBUN which, in a report on 12 December 1985 misinterpreted the article by reporting that its author had written that "Das Kapital" had lost its validity in an appeal "to boldly adopt the fruits of contemporary Western economics".

Taking its cue from YOMIURI SHIMBUN, the second was the CHUNG newspaper based in New York, which then sounded a warning against the emergence of what it called "academic utilitarianism" in China. In an editorial published on 19 December 1985, it cautioned Chinese economists against "indigestion from gobbling down foreign theories".

But the cycle of falsification was completed by a third party, this time, from China itself. This was the economic reference published in Beijing which joined the fray by blindly parroting the CHUNG newspaper's fairy tale without checking Ma Ding's article. The pompous editorial the CHUNG newspaper carried was entitled "Marxist Economics Has Great Vitality" -- as if Marx had really been seriously challenged by Ma Ding.

The upshot was the scandalous "mini-storm caused by Ma Ding". That this "storm", which had no cause whatever in the first place, actually wreaked considerable havoc among academics in Beijing can be seen not only from the outpouring of criticisms against Ma Ding, but also from the fact that a special meeting called by the CPC Propaganda Department in March devoted half its agenda to setting the record straight.

It was not surprising, therefore, that some incisive observations were made by Chinese economists at this meeting. Zhu Shaowen, a research fellow at the Economic Institute, observed that China watchers seem to have a penchant for seizing upon any development on the theoretical plane as a negation of Marxism. Other views expressed, however, were more self-critical, e.g., woe to him who becomes a subject of foreign comment, favourable or unfavourable.

The latter observation calls to mind a passage in Premier Zhao Ziyang's report on China's 7th Five-Year Plan delivered at the recent NPC: "At present, our research in economic theories lags behind the reform and economic development...we should continue to uphold the principle of integrating theory with practice and give encouragement to those who dare to pioneer in theory and practice. In the meantime, we should learn from all other countries, including the developed capitalist countries, by drawing on their advanced methods of economic management, which reflect the laws governing large-scale, socialized production."

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